(Please scan this QR Code to view the RHP)

RED HERRING PROSPECTUS
100% Book Built Issue
Dated: February 27, 2024
Please read Section 26 and 32 of the Companies Act, 2013

SONA MACHINERY LIMITED
CIN: U29256DL2019PLC345856

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India.	F-16 & C-1, Sec A-3, Tronica City, GZB, Loni, Ghaziabad-201103, Uttar Pradesh India.	Supriya Company Secretary & Compliance Officer	**E-mail:** cs@sonamachinery.com **Tel No:** +91-8448984368	www.sonamachinery.com

Promoters of the Company	Vasu Naren & Shweta Baisla

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 36,24,000 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 72 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 22 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
HEM SECURITIES LIMITED	Ajay Jain	**Email:** ib@hemsecurities.com; **Tel. No.:** +91-22- 49060000

REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
MAASHITLA SECURITIES PRIVATE LIMITED	Mukul Agrawal	**Email:** mukul@maashitla.com **Tel No.:** +91-11-45121795-96

BID/ISSUE PERIOD

ANCHOR PORTION ISSUE OPENS/ CLOSES ON*: MONDAY, MARCH 04, 2024	BID/ ISSUE OPENS ON: TUESDAY, MARCH 05, 2024	BID/ ISSUE CLOSES ON**: THURSDAY, MARCH 07, 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.*

RED HERRING PROSPECTUS
100% Book Built Issue
Dated: February 27, 2024
Please read Section 26 and 32 of the
Companies Act, 2013

SONA MACHINERY LIMITED
CIN: U29256DL2019PLC345856

Our Company was originally incorporated as a Private Limited Company under the name of "Sona Machinery Private Limited" on February 12, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on September 21, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from "Sona Machinery Private Limited" to "Sona Machinery Limited" vide a fresh certificate of incorporation Consequent upon conversion to public company dated October 17, 2023, issued by the Registrar of Companies, Delhi and bearing CIN U29256DL2019PLC345856.For further details of Incorporation, change of name and registered office of our Company, please refer to chapter titled ***"History and Corporate Structure"*** beginning on page 116 of the Red Herring Prospectus.

Registered Office: Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India.
Corporate Office: F-16 & C-1, Sec A-3, Tronica City, GZB, Loni, Ghaziabad-201103, Uttar Pradesh India.
Tel No: +91-8448984368.; **E-mail:** cs@sonamachinery.com; **Website:** www.sonamachinery.com;
Contact Person: Supriya, Company Secretary & Compliance Officer
Promoters of our Company: Vasu Naren & Shweta Baisla

DETAILS OF THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 36,24,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF SONA MACHINERY 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 1,82,000 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 34,42,000 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 26.41% AND 25.08% 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 ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND HINDI EDITION OF PRATAH KIRAN, REGIONAL NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF DELHI 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 NSE ("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 three Working Days, 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 209 of this Red Herring Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled ***"Issue Procedure"*** beginning on page 209 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 72 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 22 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 February 07, 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
HEM SECURITIES LIMITED 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India **Tel. No.:** +91- 22- 49060000; **Email:** ib@hemsecurities.com **Investor Grievance Email:** redressal@hemsecurities.com **Website:** www.hemsecurities.com **Contact Person:** Ajay Jain **SEBI Regn. No.** INM000010981	**MAASHITLA SECURITIES PRIVATE LIMITED** 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, New Delhi, 110034, India. **Tel No:** +91-11-45121795 **Email:** ipo@maashitla.com **Investor Grievance ID:** investor.ipo@maashitla.com **Contact Person:** Mukul Agrawal **Website:** www.maashitla.com **SEBI Registration No.:** INR000004370 **CIN:** U67100DL2010PTC208725

BID/ISSUE PERIOD

ANCHOR PORTION ISSUE OPENS/CLOSES ON*: MONDAY, MARCH 04, 2024	BID/ISSUE OPENS ON**: TUESDAY, MARCH 05, 2024	BID/ISSUE CLOSES ON**: THURSDAY, MARCH 07, 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.*

TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
I.	**GENERAL**	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION	15
	FORWARD LOOKING STATEMENTS	17
II.	**SUMMARY OF RED HERRING PROSPECTUS**	18
III.	**RISK FACTORS**	22
IV.	**INTRODUCTION**	
	THE ISSUE	40
	SUMMARY OF RESTATED FINANCIAL STATEMENTS	42
	GENERAL INFORMATION	45
	CAPITAL STRUCTURE	55
	OBJECTS OF THE ISSUE	64
	BASIS FOR ISSUE PRICE	72
	STATEMENT OF SPECIAL TAX BENEFITS	76
V.	**ABOUT THE COMPANY**	
	INDUSTRY OVERVIEW	79
	OUR BUSINESS	92
	KEY INDUSTRY REGULATIONS AND POLICIES	107
	HISTORY AND CORPORATE STRUCTURE	116
	OUR MANAGEMENT	120
	OUR PROMOTERS & PROMOTER GROUP	132
	DIVIDEND POLICY	135
VI.	**FINANCIAL INFORMATION OF THE COMPANY**	
	RESTATED FINANCIAL STATEMENTS	136
	OTHER FINANCIAL INFORMATION	169
	STATEMENT OF FINANCIAL INDEBTEDNESS	170
	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	172
	CAPITALISATION STATEMENT	179
VII.	**LEGAL AND OTHER INFORMATION**	
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	180
	GOVERNMENT AND OTHER APPROVALS	183
	OUR GROUP COMPANY	187
	OTHER REGULATORY AND STATUTORY DISCLOSURES	189
VIII.	**ISSUE RELATED INFORMATION**	
	TERMS OF THE ISSUE	199
	ISSUE STRUCTURE	206
	ISSUE PROCEDURE	209
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	234
IX.	**MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**	236
X.	**OTHER INFORMATION**	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	247
	DECLARATION	248

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, 1992("SCRA"), the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections ***"Statement of Tax Benefits", "Financial Information of the Company"*** *and* ***"Main Provisions of the Articles of Association"*** *on page 76, 136 and 236 respectively, shall have the meaning ascribed to such terms in such sections.*

General Terms

Terms	Description
"SML", "the Company", "our Company", "Issuer" and "Sona Machinery Limited"	Sona Machinery Limited, a Company incorporated in India under the Companies Act, 2013, having its Registered office at Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India.
"we", "us" and "our"	Unless the context otherwise indicates or implies refers to our Company.
"you", "your" or "yours"	Prospective investors in this Issue.

Company related and Conventional terms

Term	Description
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 as the Company's Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as described in the chapter titled ***"Our Management"*** beginning on page 120 of this Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. R K Jagetiya & Co. (F.R.N: 146264W).
Bankers to our Company	Yes Bank Limited
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 120 of this Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company is Shweta Baisla
CIN	Corporate Identification Number being U29256DL2019PLC345856
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Supriya (M. No. A57314).
CSR Committee/ 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 120 of this Red Herring Prospectus
Corporate Office/ Manufacturing Unit	The Corporate Office/ Manufacturing unit of our Company is situated at F-16 & C-1, Sec A-3, Tronica City, GZB, Loni, Ghaziabad-201103 Uttar Pradesh, India.
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s)/ Our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see ***"Our Management"*** on page 120 of this Red Herring Prospectus
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.

Term	Description
DP ID	Depository's Participant's Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of face value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
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)
GIR Number	General Index Registry Number.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number, in this case being INE0Q6H01012.
IT Act	The Income Tax Act, 1961 as amended till date.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the SEBI (LODR) Regulations. For details of our Independent Directors, see ***"Our Management"*** on page 120 of this Red Herring Prospectus.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled ***"Our Management"*** on page 120 of this Red Herring Prospectus.
LLP	Limited Liability Partnership
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Sona Machinery Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Vasu Naren
Materiality Policy	The policy adopted by our Board on November 07, 2023 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.
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 120 of this Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt instruments) Rules, 2019
Promoter(s)	Shall mean promoters of our Company i.e., Vasu Naren & Shweta Baisla. For further details, please refer to section titled ***"Our Promoters & Promoters Group"*** beginning on page 132 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 & Promoters Group"*** beginning on page 132 of this Red Herring Prospectus.
Person or 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.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Restated Financial statements of our Company, comprising of the Restated Statement of Assets and Liabilities as at November 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Statements of Profit and Loss and Cash Flow and for the eight months ended November 30, 2023 and for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.

Term	Description
RoC/ Registrar of Companies	Registrar of Companies, Delhi, 4th Floor, IFCI Tower,61, Nehru Place, New Delhi-110019, Delhi, India
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 (FVCI) Regulations	Securities Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 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.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled ***"Our Management"*** beginning on page 120 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 Narender Kumar and Vasu Naren.
Warehouse	The warehouse of the company is situated at Industrial Unit Bearing Plot No. A-1, Sector A-3, Trans-Delhi Signature City, Loni, Ghaziabad – 201103, Uttar Pradesh, India

Issue Related Terms

Terms	Description
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/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue 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
Allottee (s)	A successful bidder to whom the Equity Shares are allotted.
Anchor Investor(s)	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 ₹ 200 lakhs.
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 Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.

Terms	Description
	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.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI 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 extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
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 or the Prospectus.
Banker to the Issue Agreement	Agreement dated February 05, 2024 entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being HDFC Bank Limited.
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 209 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 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 Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Delhi Edition of Regional newspaper Pratah Kiran where the registered office of the company is situated, 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 Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Delhi Edition of Regional newspaper Pratah Kiran where the registered office of the company is situated, 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 or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.

Terms	Description
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
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Hem Securities Limited, SEBI Registered Category I Merchant Banker.
Broker Centers	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price 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
Collecting Registrar and Share Transfer Agent	Registrar to an 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.
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.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
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., www.nseindia.com
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
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 Depositary 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	Hem Finlease Private Limited
Designated RTA 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

Terms	Description
	of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e., www.nseindia.com
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid-Cum-Application Form from the Bidder and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Designated Stock Exchange	National Stock Exchange of India Limited (NSE Emerge i.e., SME platform of NSE)
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated November 29, 2023 issued in accordance with Sections 26 & 32 of the Companies Act, 2013
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depositary participants.
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.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
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(s) 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
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of 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
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. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time
Issue Agreement	The Issue Agreement dated November 21, 2023 between our Company and Book Running Lead Manager.
Issue/Public Issue/Issue size/Initial Public Issue/Initial Public Offering/ IPO	The Initial Public Issue of upto 36,24,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs
Issue Price	The final price at which the Equity shares will be allotted in terms of the Red Herring Prospectus and the Prospectus, as determined by our company in consultation with BRLM on the Pricing date in accordance with the Book-Building process and 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 64 of this Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	[●]

Terms	Description
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 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
Market Making Agreement	The Market Making Agreement dated February 05, 2024 between our Company, Book Running Lead Manager and Market Maker, Hem Finalease Private Limited.
Market Maker Reservation Portion	The reserved portion of 1,82,000 Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
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 (other than Anchor investor), 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.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 34,42,000 equity Shares of ₹10/- each at a price of ₹[●] per Equity Share (the "Issue Price"), including a share premium of ₹[●] per equity share aggregating to ₹[●] Lakhs.
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
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled ***"Objects of the Issue"*** beginning on page 64 of this Red Herring Prospectus.
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of 5,17,000 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.
Non – Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Other Investor	Investors other than Retail Individual Investors. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
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 ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band 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 Sections 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.

Terms	Description
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 17,20,000 Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
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 HDFC Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership either NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Maashitla Securities Private Limited.
Registrar Agreement	The agreement dated November 21, 2023 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.
Refund Account(s)	Accounts to which the monies to be refunded to the Bidders is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2018.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net 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 Net Issue, consisting of 12,05,000 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.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI SAST/ SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SME Exchange	SME Platform of the National Stock Exchange of India Limited i.e., "NSE Emerge"
SEBI (PFUTP) Regulations/ PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003

Terms	Description
Specified Securities	Equity shares offered 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.
Securities Laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
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	The agreement dated February 05, 2024 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
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.
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.
Underwriter	The BRLM who has 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 February 05, 2024 entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no 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/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022.and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction

Terms	Description
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
U.S. Securities Act	U.S. Securities Act of 1933, as amended
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) or a fraudulent borrower	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI (ICDR) Regulations.
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) 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) the time period between the 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.

Technical and Industry Related Terms

Term	Description
B2B	Business to Business
BC	Belt Conveyer
BIS	Bureau of Indian Standards
CAD	Current account deficit
CNC	computer numeric control
EMDE	Emerging Market and Developing Economies
FPI	Foreign Portfolio Investment
FQC	Final Quality Control
HMI	Human-Machine Interface
ISO	Indian Standard Organisation
LG	Length Grader
LIC	Low-income countries
MoFPI	The Ministry of Food Processing Industries
NIC	National Industrial Classification
PU	Polyurethane
QC	Quality Control
QMS	Quality Management System
SAR	South Asia
TPH	Tonnage per hour
USB	Universal Serial Bus
VMC	Vertical Machining Center.

Conventional terms and Abbreviations

Abbreviation	Full Form
Rs. / Rupees/ INR/ ₹	Indian Rupees, the legal currency of the Republic of India
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

Abbreviation	Full Form
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
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
BRLM	Book Running Lead Manager
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
CA	Chartered Accountant
CAIIB	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
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
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 Installment
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
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India

Abbreviation	Full Form
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
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(lll) of the SEBI ICDR Regulations.
FV	Face Value
GoI/ 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	InformationTechnologyAct,2000
IFRS	International Financial Reporting Standards
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

Abbreviation	Full Form
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
NRIs	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
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
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
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
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, 2019, 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.

Abbreviation	Full Form
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
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 SBEBWE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
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
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
SSI	Small Scale Industry
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
U.S. Securities Act	The United States Securities Act, 1933
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may Be.
Willful Defaulter(s)	Company or person categorised as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(lll) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	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

In this Red Herring Prospectus, the terms "we", "us", "our", the "Company", "our Company", unless the context otherwise indicates or implies, refers to Sona Machinery Limited. 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 crore". 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 stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated financial information prepared for the eight months ended November 30, 2023 and for the Financial year March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Accounting Standards (Indian GAAP), the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled ***"Financial Information of the Company"*** beginning on page 136 of this Red Herring Prospectus.

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 laws 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.

Any percentage amounts, as set forth in ***"Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations"*** and elsewhere in the Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Statutory Auditor, set out in section titled ***"Financial Information of the Company"*** beginning on page 136 of this Red Herring Prospectus. As on date of the Red Herring Prospectus we do not have any subsidiary or associate company. Our fiscal year commences on April 1 of every year and ends on March 31 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 236 of the Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

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 72 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 22, 92 and 172 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.

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:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Disruption in our manufacturing facilities.
3. Disruption in supply of Raw Materials;
4. Our ability to respond to technological changes;
5. Adverse natural calamities having significant impact on regions where we are having projects under implementation;
6. Our ability to attract and retain qualified personnel;
7. Inability to promptly identify and respond to changing customer preferences or evolving trends;
8. Any change in government policies resulting in increases in taxes payable by us;
9. Changes in laws and regulations that apply to the industries in which we operate.
10. Our ability to grow our business;
11. General economic, political and other risks that are out of our control;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Company's ability to successfully implement its growth strategy and expansion plans;
14. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
15. Inability to successfully obtain registrations in a timely manner or at all;
16. Occurrence of Environmental Problems & Uninsured Losses;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. Any adverse outcome in the legal proceedings in which we are involved; and
19. Concentration of ownership among our Promoter.
20. Global distress due to pandemic, war or by any other reason.

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 22, 92 and 172 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

We are a diversified agro-processing equipment manufacturer, manufacturing equipments for the processing of rice, pulses, wheat, spices, Barnyard Millet etc. Our product portfolio includes Grains Pre-Cleaner machines, Rotary Drum Cleaner, Vibro Classifiers, Stone Separator Machines, Paddy De-Husker, Husk Aspirator, Rice Thick/Thin Grader, Rice Whitener, Silky Polisher, Multi Grader, Length Grader, Belt Conveyer, Bucket Elevator etc. along with the complete projects for rice mills and ethanol distilleries. Our services encompass engineering, erection, supervision, and machine commissioning, delivering a comprehensive end-to-end solution for the milling section

B. OVERVIEW OF THE INDUSTRY

India's food processing sector is one of the largest in the world and its output is expected to reach $535 Bn by 2025-26. The Food Processing sector in India has a quintessential role in linking Indian farmers to consumers in the domestic and international markets. The Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments across the value chain. The food processing industry has a share of 12.38% (at 3-digit of NIC classification) in the employment generated in all Registered Factory sector engaging approximately 1.93 Mn people. Major sectors constituting the food processing industry in India are grains, sugar, edible oils, beverages, and dairy products.

C. PROMOTERS

The promoters of our company are Vasu Naren and Shweta Baisla.

D. SIZE OF THE ISSUE

Initial public offer consisting of up to 36,24,000 Equity shares of face value of ₹10.00 each ("equity shares") of Sona Machinery Limited *(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 1,82,000 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 34,42,000 equity shares of face value of ₹ 10.00 each at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakh herein after referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.41% and 25.08% respectively of the post offer paid up equity share capital of the company.

E. OBJECTS OF THE ISSUE

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

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	Funding the Capital Expenditure requirements of our company towards setting up of a new manufacturing unit at Ghaziabad.	2,891.25
2.	Repayment of the outstanding amount of the Letter of Credit availed by our company for purchase of machinery.	200.80
3.	General Corporate Purpose	[●]
	Total	[●]

F. PRE-ISSUE SHAREHOLDING OF PROMOTERS & PROMOTER GROUP

The aggregate pre-issue shareholding of the promoters and promoter group as a percentage of the paid-up capital of the issuer is as below:

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters				
1.	Vasu Naren	90,90,000	90.00	90,90,000	66.23
2.	Shweta Baisla	3,02,996	3.00	3,02,996	2.21
	Sub Total (A)	**93,92,996**	**93.00**	**93,92,996**	**68.44**
	Promoter Group				
3.	Narender Kumar	7,07,000	7.00	7,07,000	5.15
	Sub Total (B)	**7,07,000**	**7.00**	**7,07,000**	**5.15**
	Grand Total (A+B)	**1,00,99,996**	**100.00**	**1,00,99,996**	**73.59**

G. SUMMARY OF FINANCIAL INFORMATION

Following are details as per the restated financial statements for the period ended November 30, 2023 and for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 are as below:

(₹ in Lakhs)

Sr. No.	Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Paid up Share Capital	1,010.00	10.00	10.00	10.00
2.	Net worth	1,780.16	1,132.34	363.98	37.51
3.	Total Net Revenue (Operations)	6,275.28	8,096.63	4,451.59	604.19
4.	Profit After Tax	647.82	768.36	326.47	27.81
5.	Earnings Per Share – Basic/Diluted	6.41	7.61	3.23	0.28
6.	NAV per Equity Shares	17.63	1,132.34	363.98	37.51
7.	NAV per Equity Shares (Post Bonus)	17.63	11.21	3.60	0.37
8.	Total Borrowing	112.94	252.60	236.61	-

H. AUDITORS QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

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

I. OUTSTANDING LITIGATIONS

Litigations/Matters involving our Company: -

Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lakhs)
Other Material Cases filed by Company	1	139.11
Total	**1**	**139.11**

The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus

For further details of the outstanding litigation proceedings, see ***"Outstanding Litigation and Material Developments"*** beginning on page 180 of this *Red Herring* Prospectus.

J. RISK FACTORS

Please see ***"Risk Factors"*** beginning on page 22 of this Red Herring Prospectus.

K. SUMMARY OF CONTINGENT LIABILITIES OF THE COMPANY

Following is the summary of the Contingent Liabilities of the Company for the period ended November 30, 2023 and for the financial year 2023, 2022 and 2021:

(₹ in Lakh)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts		-	-	-
Guarantees given on Behalf of the Company	106.53			
Pending Capital Commitment towards land purchase	1,350.00			
Traces Defaults	0.04	-	-	-
Uncalled liability on shares and other investments partly paid		-	-	-
Other commitments		-	-	-
Total	**1,456.57**	**-**	**-**	**-**

For detailed information on the Contingent Liabilities on our Company, please refer **"Annexure-AB"** under Chapter titled ***"Restated Financial Information"*** beginning on page no 136 of this Red Herring Prospectus.

L. SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

Particulars	Names of related parties	Nature of Relationship
Directors and Key Management Personnel (KMP)	Vasu Naren	Managing Director & Chairman
	Shweta Baisla	WTD and CFO
	Narender Kumar	Non-Executive Director (Cessation w.e.f., 20th January 2024)
	Supriya	CS (Appointed w.e.f. 13-09-2023)
	Naman Jain	Non-Executive Director (Appointed w.e.f., 06th November 2023)
	Preet Kumar	Non-Executive Director (Appointed w.e.f., 06th November 2023)
	Akash Kumar Bansal	Non-Executive Director (Appointed w.e.f., 20th January 2024)
Enterprises in which KMP/Relatives of KMP can exercise significant influence	CAN Engineering Solutions Pvt Ltd	Vasu Naren is holding 50% of Equity Shareholding in the Company.
	Sona Foods	Proprietorship firm of Narender Kumar
	Abbstem Technologies LLP	Narender Kumar is holding 30% of equity share in the LLP
	Cartel IT Solutions Private Limited	Abbstem Technlogies LLP holds 70% of Equity shareholding of the Company.
	Abbstem Industrial Solutions Private Limited	Narender Kumar is holding 1/3rd of Equity Shareholding in the Company.

(₹ in Lakhs)

Particulars		November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
(i) Transactions with Director in KMP					
1	**Mr. Narender Kumar**				
	Director Remuneration given	-	4.00	24.00	6.00
	Reimbursement of Expenses/Statutory Payment	0.95	4.82	0.28	
2	**Mr. Vasu Naren**				
	Director Remuneration given	46.84	87.47	25.36	4.50
	Reimbursement of Expenses/Statutory Payment	21.22	16.83	31.95	4.22
3	**Mrs. Shweta Baisla**				
	Director Remuneration/Salary given	14.01	9.20	9.00	-
	Reimbursement of Expenses/Statutory Payment	3.12	4.24	34.69	
(ii) Transactions with Relatives of KMP					
4	**M/s CAN Engineering Solutions Pvt Ltd**				
	Goods Supplied by Company- Sales	249.99	391.50	-	-
	Advance Received	-	-	(35.00)	-
	Reimbursement of Expenses	-	-	-	-
	Closing Balance (dr/(cr))	76.33	(2.15)	(35.00)	-
5	**M/s Sona Foods**				
	Purchase of Goods/Fixed Asset by the Company	-	-	-	394.21
	Goods Supplied by Company- Sales	-	-	19.15	-
	Deposit given for Leased Premises	20.00	-	-	-
	Rent Paid by the Company	24.00	36.00	36.00	4.50
	Closing Balance (dr/(cr))	(6.48)	(3.24)	(33.50)	(263.44)
6	**M/s Absstem Technologies LLP**				
	Purchase of Goods by the Company	-	-	8.40	-
	Goods Supplied / Purchased by Company- Sales	-	-	-	-
	Closing Balance (dr/(cr))	-	-	-	-

For detailed information on the related party transactions executed by our Company, please refer **"Annexure - Y"** appearing under Chapter titled ***"Restated Financial Information"*** beginning on page no 136 of this Red Herring Prospectus.

M. FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the Directors of the issuer and their relatives have not financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

N. WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS RED HERRING PROSPECTUS

Weighted average price at which the Equity Shares were acquired by our Promoters in Last one year:

Sr. No.	Name of the Promoters	No. of Shares acquired	Average cost of Acquisition (in ₹)
1	Vasu Naren	90,00,000	Nil
2	Shweta Baisla	3,03,000	Nil

O. AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTERS

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Vasu Naren	90,90,000	0.03
2	Shweta Baisla	3,02,996	0.00

P. DETAILS OF PRE-ISSUE 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. ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except for the details mentioned below, we have not issued Equity Shares for consideration other than cash in the preceding one year.

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable (₹)	Nature of Allotment
September 13, 2023	1,00,00,000	10	Nil	Bonus Issue in the ratio of 100:1

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

Our Company has not taken any exemption from complying with any provisions of the Securities Law from SEBI as on the date of this Red Herring Prospectus.

S. SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Red Herring Prospectus.

SECTION III- RISK FACTORS

An investment in Equity Shares involves a high degree of risk. prospective investors should carefully consider all the information in this 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"*** *beginning on pages* 136, 92 *&* 172 *respectively 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.

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"*** *beginning on page* 22 *and* ***"Management Discussion and Analysis of Financial Condition and Results of Operations"*** *beginning on page* 172 *unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).*

INTERNAL RISK FACTORS

1. We have very short span of operating history as company.

Our company was incorporated on February 12, 2019 as a private limited company and started our business operation in January, 2021 when our company purchased the fixed assets and stock from "M/s Sona Foods India", which is a proprietorship concern of Narender Kumar, father of our promoter, Vasu Naren. Our limited operating history may adversely affect our ability to implement our growth strategies, and may make it difficult for you to evaluate our past performance and future prospects in connection with any investment in the Equity Shares. Prospective investors should accordingly consider our future prospects in light of the risks and the challenges encountered by a company with a limited operating history.

We cannot assure you that we will be able to successfully meet the challenges, uncertainties, costs and difficulties encountered by us or that we will attain our objectives successfully. Our limited operating history as a company makes it difficult to predict our future prospects and financial performance.

2. We generate our major portion of revenue from our operations in certain geographical regions and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.

Currently, we sell our products to more than 15 states & Union Territories in India of which majority portion of the revenue comes from the state of Uttar-Pradesh followed by Chhattisgarh & Bihar. We had also exported our products to countries such as Nepal, Kenya, Nigeria, Bangladesh etc. Our revenue from exports for the period ending November 30, 2023 and fiscal year 2023, 2022 and 2021 was ₹ 70.54 Lakhs, ₹ 252.60 lakhs, ₹ 106.66 lakhs and ₹ 13.00 lakhs respectively which constituted 1.13%, 3.12 %, 2.39% and 2.15% of our revenue from operations for the respective period & fiscal. Our sales from top five geographical regions for the period ending November 30, 2023 & fiscal year ending 2023, 2022 & 2021 comprises of 78.10%, 72.35%, 68.22% & 78.46% of total revenue respectively.

We carry our entire manufacturing operations from our manufacturing units situated at Ghaziabad, Uttar-Pradesh. Due to the geographical concentration of our manufacturing operations at Uttar-Pradesh, our operations are prone to local, regional and environmental factors, such any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

3. The agriculture sector is seasonal in nature. We experience the effects of seasonality, which may result in our operating results fluctuating significantly and also, reduce our sales.

Our sales could be affected due to seasonal trends in the agriculture sector. In particular, the agriculture sector is inherently seasonal, and is further impacted by factors including agricultural commodity prices, costs of fertilizers, and adverse weather conditions. Accordingly, due to the inherent seasonality of our business, results of one reporting period (quarter/half year/year) may not be necessarily comparable with preceding or succeeding reporting periods. For instance, our revenue in first qtr. of F.Y 2021-22 and FY 2022-23 respectively is only 19.30% & 11.57 % of total revenue, whereas the same in third qtr. is 29.34% for FY 2021-22 & 32.85% for FY 2022-23.

Thus, we are subject to seasonal factors, which make our operational results very unpredictable. During periods of lower sales activities, we continue to incur substantial operating expenses, but our revenues remain usually lower. Sometimes, even if there is a slight change in the timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year. Further, any change in weather conditions, including the occurrence of drought conditions, could adversely affect our business, financial condition, results of operations, and prospects.

4. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business, financial condition and results of operations

During the stub period ended November 30, 2023 and for the Fiscal 2023 and Fiscal 2022, our purchases of raw material was ₹ 4,174.59 lakhs, ₹ 5,399.85 lakhs and ₹ 2,990.40 lakhs respectively, which represented 66.52%, 66.69 % and 67.18% of our revenue from operations. The raw materials we use in our manufacturing process are primarily sourced from third party suppliers in India. Our purchases from top ten suppliers represented 49.80%, 55.37 % and 60.03% of our total purchases for the period ending November 30, 2023, fiscal year ending March 2023 & 2022 respectively.

In addition, we usually do not enter into long-term supply contracts/ agreements with any of our raw material suppliers and typically source raw materials from the open market. The absence of long-term contracts/agreements at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on

our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations.

The quality of our products is primarily derived from the quality of our raw materials, and any deterioration in the quality of raw materials supplied to us will have an adverse effect on the quality of our products, market reputation and sales volumes. There can be no guarantee that we will be able to maintain our current line-up of suppliers or adequate supply of such raw materials at all times.

Further our Company has outstanding dues of trade payables during the stub period ended November 30, 2023 and for the Fiscals 2023 and 2022 of ₹ 1,404.38 Lakhs, ₹ 907.13 lakhs and ₹ 538.48 lakhs respectively. We have faced delay in payments of some MSME vendors in past and any delay in payment to our creditors including MSME creditors in future may impact our long-standing relations with our suppliers and may result in stoppage of timely or at all delivery of raw material. Any such disruption would impact the production and overall financial position of our Company.

5. If there are delays in setting up the Proposed Facilities or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or the purchase of plant and machinery for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.

In order to capitalize on the future demand, we currently are in process of setting up a new manufacturing unit in Ghaziabad, Uttar Pradesh, in order to increase our manufacturing capabilities. The proposed land on which the said unit is being constructed comprises of around 90,729 sq. ft. area which will be purchased. The total cost for setting up new manufacturing unit is estimated to be ₹ 3,041.25 lakhs. which includes, purchase of proposed land, civil construction to be carried out on said land and purchase of machineries to be installed. This cost is expected to be funded from the proceeds of IPO, for further details, see ***"Objects of the Issue"*** on page 64 of this Red Herring Prospectus.

The completion of the setting up of the Proposed Facilities is dependent on our ability to arrange finance through Net Proceeds or otherwise, the performance of external agencies which are responsible for inter alia construction of buildings, installation and commissioning of plant and machinery. We cannot assure you that we will be able to arrange for such finance on time. Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. Further, we cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns.

Further, we have entered into a contract of agreement to sale dated November 21, 2023 to purchase land, which may carry uncertainties as the agreement's completion is contingent upon various factors, including regulatory approvals, environmental clearances, external or other factors beyond our control which could lead to withdrawal or termination of said agreement. One of the conditions of said agreement is to complete the sale transaction and to execute absolute sale deed within 5 months. The enforceability of the agreement also faces risks from legal challenges or unforeseen circumstances, potentially hindering our ability to acquire the specified land. Our strategic flexibility to explore alternative opportunities introduces an element of unpredictability, with no assurance of acquiring the identified land or involving the same landowner in future acquisitions.

The estimated costs for setting up the Proposed Facilities are based on the certificate dated February 27, 2024 given by M/s. Sunrise Engineers, Chartered Engineers, and are based on management's estimates and current conditions which are subject to change, owing to prospective changes in external circumstances, costs and other financial conditions.

Our return on our investment depends upon, among other things, successful implementation of our strategy, competition, demand of our products, government policies, interest rates and general economic conditions. If our return on investment does not meet our or market expectations, this could materially and adversely affect our business, cash flows, results of operations and financial condition.

6. Our business is dependent on our manufacturing unit, and the loss or shutdown of operations of our manufacturing unit may have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our business is dependent on our ability to manage our manufacturing unit situated at Ghaziabad, Uttar Pradesh, Our Manufacturing Facility is spread across approximately 52,205 sq. ft. The core of our business relies on efficient management of the manufacturing

facility, however our operations face a spectrum of operational risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, which could result in power interruptions and water shortages, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of suppliers and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence.

Our manufacturing unit is also subject to operating risk arising from any failure to comply with the directives of relevant government authorities or any changes in governmental regulations affecting our business and our facilities, which could lead to a loss of licenses, certifications, permits and the ability to continue operating from our current manufacturing unit.

Disruptions caused due to breakdown of machinery installed at our manufacturing unit in Ghaziabad, could also lead to a reduction in our production levels, resulting in a negative impact on our earnings. We cannot assure you that we will always have access to sufficient supply of electricity in the future to accommodate our production requirements and planned growth. In the event of prolonged disruptions at our manufacturing unit, we may have to import various supplies and products in order to meet our production requirements, which could affect our profitability. Our facilities and equipment would be difficult and costly to replace on a timely basis and in a cost-efficient manner. Moreover, catastrophic events could also destroy any inventory located at our unit Such disruptions may result in delays in shipments of raw materials from our suppliers to us and shipment of products from us to our customers. The occurrence of any such catastrophic event could result in the temporary or long-term closure of our manufacturing unit, severely disrupting our business operations and materially and adversely affecting our business, results of operations, cash flows and financial condition.

7. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.

We require certain statutory and regulatory licenses, registrations and approvals to operate our business some of which our Company has either received, applied for or is in the process of application, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial conditions. There can be no assurance on the renewal or there might be delay in renewal of licenses, registrations and approvals from relevant authorities.

Further, we are yet to apply for registration under Shops & Establishment Act for our warehouse situated at Ghaziabad. Upon cognizance being taken by the appropriate authority, the Company and its officers in default may face penalties and/or prosecution under the extant provisions, which could have an adverse impact on our business, results of operations and cash flows. Further, these licenses, registrations and approvals are subject to several conditions, and we cannot assure that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by us to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our operations and may have a material adverse effect on our business, results of operations and financial condition. For details regarding pending approvals, please refer to section titled ***"Government and Other Approvals"*** beginning on page 183 of the Red Herring Prospectus.

8. We do not own the registered office, manufacturing unit and warehouse from which we carry out our business activities. In case of nonrenewal of rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.

Our registered office, manufacturing unit and warehouse, from which we carry out our business activities, are being taken by us on rent. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could temporarily impact on our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled ***"Our Business"*** beginning on page 92 of this Red Herring Prospectus.

In addition, agreements pertaining to the lease/rent have irregularities of enforceability, such as non-registration of agreement and inadequate payment of stamp duty, which may affect the value of the relevant agreements in specific performance or other injunctive procedures in a court of law, and could impair our operations. Further, it may result in levy of penal charges, in case cognizance being taken by concerned authorities.

There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our manufacturing operations which could materially and adversely affect our business, financial condition and results of operations.

9. We have not registered the trademarks which we are using for our business in the name of our company.

The trademark & logo  which we are using for our business is in the name of our Promoter, Vasu Naren and the same is in opposed status with the Registrar of Trademarks in India, under the Trade Marks Act, 1999. Further, our company has not applied for registration of any trademark under the provisions of the Trademarks Act, 1999. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the said trademark and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill.

The registration of intellectual property including trademarks is a time-consuming process and there can be no assurance that any registration applications we may pursue will be successful and that such registration will be granted to us. If we fail to register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to our brand and proprietary rights could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

10. A significant portion of our revenue is generated from our sales of material handling, milling, cleaning and grading equipments. The loss of customers who purchase these equipments, or a significant reduction in the production and sales of, or demand for said equipments may adversely affect our business, financial condition, results of operations and prospects.

The revenue contribution of our top four product categories i.e. material handling, milling, cleaning and grading equipments accounted for a significant portion of our total revenue in the eight-month period ending November 30, 2023 and fiscal year ending March 2023 & 2022 i.e. 83.17%, 83.50% and 80.56% respectively. In case of increased competition, pricing pressures, fluctuation in the demand or supply of products within our top four categories or other factors, our revenue from these products may decline in the future. Any adverse developments with respect to the sale of products within our top four categories could adversely affect our revenue which in turn may have an adverse effect on our business, results of operations and financial condition.

11. Our business and financial conditions may be impacted by changes or slowdown in the agricultural sector.

Demand for most of our products is directly related to the sale of grains such as rice, pulses, wheat by millers, and the average age of the equipment deployed / rate of demand for replacement of the equipment by millers. Sales may be affected by a prolonged spell of drought or flood, general economic or industry conditions, including evolving regulatory requirements, government initiatives, trade agreements, and other factors. Therefore, the significant reduction in production of, or demand for grains could lead to cancellation of orders or loss of business and consequently reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business and results of operations.

The processed food market in India is expected to grow to ₹ 34,51,352.5 crores (US$ 470 billion) by 2025, from ₹ 19,31,288.7 crores (US$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route. From 2017 to 2020, India received ~US$ 1 billion in agritech funding. With significant interest from investors, India ranks third in terms of agritech funding and the number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US$ 30-35 billion. *(Source: https://www.ibef.org/industry/agriculture-india)*. For more details, see ***"Industry Overview"*** on page 79 of this Red Herring Prospectus. If these measures are withdrawn, or if we are unable to adequately anticipate and respond to changing conditions affecting the agriculture sector, our operations, our business, financial condition, results of operations and prospects may be adversely affected.

12. We have had certain inaccuracy in relation to regulatory filings to be made with the RoC and our company has made non-compliances of certain provision under applicable laws.

Our company has not complied with certain statutory provisions in the past including but not limited to the details as mentioned herein. Further, there are few discrepancies noticed in some of our corporate records related to e-forms filed with the Registrar of Companies, which includes Company has not filed Form CHG-1 for creation of charge on a vehicle loan taken in the past, which is non-compliance of section 77 of the Companies Act, 2013 read with rules made thereunder and attracts penalty under section 86 of the Companies Act, 2013. however, we have made the payment of this loan as on the date of this Red Herring Prospectus.

Our Company has not complied with certain Accounting Standards, however the same have been duly complied by the company in the restated financial statements. For details regarding impact of such non-compliance on the financials, please refer to section titled ***"Financial information of the company"*** beginning on page 136 of the Red Herring Prospectus

In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business and reputation. Although, no show cause notice in respect of the non-compliance has been received by the Company till date, any penalty imposed for such noncompliance in future by the any regulatory authority could affect our financial conditions to that extent.

13. We rely on after-sales service network to redress customer grievances. Non-performance or underperformance of our after-sales service network could significantly harm our reputation.

Our products are preferred among millers in India due to their quality and efficiency, and our after-sales service capabilities. Our sales network is backed by an after-sales service team of 25 employees who provide our customers with access to maintenance services and spare parts, and respond to a majority of customer grievances in the earliest possible after such grievances are raised.

We have also placed emphasis on our need to retain a customer service team to redress customer grievances but we cannot assure you that our customer service team will continue to have a consistent rate of good performance. Further, if we are unable to resolve customer grievances in an adequate or timely manner, or if we are unable to retain a good customer service team, it could have an adverse effect on our business, results of operations, and financial condition, and damage our reputation and relationships with our customers. This could also cause a reputational harm to us in the industry, leading to a lesser sale of our products.

14. Our Statutory Auditors have included certain Qualifications/Key Audit Remarks on our Audited financial statements.

Our auditor has included the below audit qualifications in the financial statements of the Company which are not required to be adjusted in the restated financial statement of the Company.

Financial Year	Audit Qualification	Management Reply
For the period ended 30th November, 2023	Company has not maintained the quantitative records of the inward and outward movement of Inventory and as explained the inventory has been valued basis of physical quantity available with the Company, therefore we are unable to quantify the impact of such limitation on valuation of Closing stock. Any possible impact on financials Statement cannot be ascertained in the absence of quantitative records of the Inventory.	Company is in process of implementation of SAP to record inventory movement in future

15. 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 net sales, profitability, cash flow and liquidity.

We are a manufacturing company, and, at all points of time, a certain portion of our assets comprises of an inventory of raw materials, work in progress products and finished products. Maintaining sufficient inventory of raw materials is critical for our operations including as a buffer against any supply disruptions. Any failure on our part to effectively manage our inventory of raw materials and finished products in response to changing market scenario may have an adverse effect on our financial condition and may even lead to loss of business and increase the costs of our operations. During the period ending November 30, 2023 and Fiscal year ending 2023 & 2022, our inventories were ₹ 952.80 lakhs, ₹ 526.88 lakhs and ₹ 190.15 lakhs respectively.

In the event we overestimate our requirements for raw materials as compared to the demand for our products, it may lead to situations that require us to block more capital and increase our operating costs in connection with inventories and further expose us to variations in raw materials risk. Equally, if we underestimate our requirements for raw materials, it may adversely affect our ability to manufacture the required quantity of products for our customers' requirements in a timely and cost-efficient manner which may lead to loss of business and / or the opportunity to service customers which could adversely affect our business, results of operations and financial condition. Further, we may also lose opportunities to acquire raw materials in a cost-effective manner, thereby increasing costs of operations and adversely affecting our working capital requirements. Additionally, if our inventory of finished products is not dispatched on time or if there is any unanticipated delay in the delivery of our finished products or if the finished products are not properly maintained or are damaged or destroyed, we could lose such inventory which could have an adverse impact on our production cycle, results of operation and financial condition.

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. During the period ending November 30, 2023 and Fiscal year ending 2023 & 2022, our trade receivables were ₹724.37 Lakhs, ₹ 594.05 Lakhs and ₹ 439.83 Lakhs respectively. Our Company has written off bad debts on account of non-recoverability of the dues from the Debtors which amounted to ₹ 16.88 lakhs in F.Y. 2021-22 and ₹ 15.10 lakhs in F.Y. 2022-23. We cannot assure that our Company will be able to effectively manage its trade receivables in future. Any such failure in management of trade receivables could result into 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. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. 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. For details regarding trade receivables and inventory, please refer to section titled ***"Financial information of the company"*** beginning on page 136 of the Red Herring Prospectus.

16. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

Our operations are subject to accidents which are inherent to any manufacturing process such as risks of machinery/equipment

failure, worker accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including accidents that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environment. We have ICICI Bharat Laghu Udyam Suraksha Policy for our manufacturing unit which covers building, machines & stock insurance from loss due to Fire, Earthquake and terrorism. Further, we have taken Burglary Insurance Policy for our manufacturing unit from ICICI Lombard which covers loss due to theft, riot, strike and malicious damage. Along with the same, we have taken Vehicle Insurance policy and Medical Insurance of Employees from Star Health and Allied Insurance Co. Ltd.

While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as cash in transit, key man insurance or group personal accident. Further, we have not taken insurance in respect of our registered office in Delhi and warehouse in Ghaziabad. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

17. The Proposed Project being implemented by us is large in context of our Company's current scale of operations. We may face several risks on account of implementation of our Proposed Project.

Our Company has embarked upon a project of approximately ₹ 3,041.25 Lakhs, which is large in size compared to the present re-stated net worth of our Company as on November 30, 2023 i.e. ₹ 1,780.16 Lakhs. Since, the management and financial resources are till date allocated to one manufacturing facility, the Proposed Project with substantially higher capacity, poses some unforeseen risks and challenges to the financial and managerial capacity of our Company. For details, please refer to section titled ***"Financial information of the company"*** beginning on page 183 of the Red Herring Prospectus.

18. Our Company, Promoters and Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Company, Promoters and Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, Promoter and Directors as on the date of this Red Herring Prospectus along with the amount involved.

Litigations filed by the Company:

Nature of Cases	No. of Outstanding cases	Amount (₹ Lakhs)
Other	1	139.11

The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled **"Outstanding Litigations and Material Developments"** on page 180 of this Red Herring Prospectus

19. We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realization of the price for our product, which may adversely affect our business operation and financial condition

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, sales network, pricing, timely delivery, brand recognition, longer operating histories, product development, more experienced management and access to a cheaper cost of capital. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offer their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

Further, new competitors may emerge at any time. Our competitors may be able to respond more quickly to new or emerging technologies or customer requirements, and may bring with them customer loyalties that may limit our ability to compete, which could decline our sales. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete. The success of our products as well as our ability to maintain or increase our sales may also depend upon the effectiveness of our marketing initiatives which may adversely affect our ability to compete effectively. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

20. Adverse publicity regarding our products could negatively impact us.

Adverse publicity regarding any of our products or similar products marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our products or other concerns, our reputation could be harmed and demand for our products could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements.

21. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.

Our contingent liabilities as on November 30, 2023 is ₹ 1,456.57 lakhs. For further details of the contingent liabilities and commitments of our Company as on November 30, 2023, see ***"Restated Financial Information"*** on page 136 of this Red Herring Prospectus. If a significant portion of these liabilities materialize, fully or partly, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

22. We have experienced negative operating cash flows in the past. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions

As per our Restated Financial Statements, our cash flows are as set out below: -

(₹ in lakhs)

Particulars	**For The Period/Year Ended**			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Net cash from operating activities	773.10	1,188.96	(59.73)	322.35
Net cash flow from investing activities	(400.09)	(646.60)	(71.01)	(274.41)
Net cash flow from financing activities	(149.93)	(35.44)	229.06	-

Cash flow of a company is a key indicator to show the extent of cash generated to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

23. The implementation of the proposed project is at a very preliminary stage. The schedule of implementation may be delayed and as a result thereof, we may face operational delays. This may have an adverse effect on our business operations and our return on investments.

As per the proposed schedule of implementation, the completion date for setting up of manufacturing facility at Ghaziabad is expected around October 2024 which may be subject to delays and other risks, including, among other things, contractor performance shortfalls, unforeseen engineering or technical problems, delay in procuring plant & Machineries, delay in registry of proposed land, dispute with workers, force majeure events, unanticipated cost increases or changes in scope and delay in obtaining certain property rights and government approvals and consents, any of which could give rise to delays, cost overruns or the termination of the Project and/or a breach of the financial covenants imposed by our lenders. While we may seek to minimize the risks from any unanticipated events, we cannot ensure that all potential delays can be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

24. If we are not able to successfully manage our growth, our business and results of operations may be adversely affected.

Continued growth of our business and customer base requires us to expand our product portfolio, strengthen our product quality, expand and enhance our sales channels, better manage our supply chain, upgrade our information systems and technologies and devote other resources to our business expansions, among others. As we continue to grow, managing our business will become more complicated as we develop a wider product mix, some of which we may have less experience in. In addition, as we increase our product offerings, we will need to work with a larger number of business partners and maintain and expand mutually beneficial relationships with our existing and new business partners. Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or

that our strategies and new business initiatives will be executed successfully. Our failure to manage our anticipated growth effectively could reduce our ability to execute our business strategies, recruit and retain personnel, innovate, and manage costs all of which could adversely affect our business, results of operations, cash flows and financial condition. In addition, the availability of funds plays a crucial role for growth and expansion of the business. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

25. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an effect on our business, future prospects and future financial performance.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. For the period ending November 30, 2023 and Fiscals 2023, 2022 and 2021, our overall capacity utilization is detailed below:

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	For period ended November 30, 2023*
Installed Capacity (nos.)	800	5,990	7785	5,600
Actual Production (nos.)	411	3,555	5231	4,270
Capacity Utilization (in %)	51.38%	59.35%	67.19%	76.25%

**For 8 Months Period*

In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, it would result in operational inefficiencies which could have a material effect on our business, results, financial condition and future prospects. Under-utilization of our manufacturing capabilities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

26. Changes in technology may render our current technologies obsolete or require us to make substantial investments.

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the agro-processing equipments, we may be required to implement new technology or upgrade the machineries and other equipment 's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

27. We have incurred indebtedness which exposes us to various risks which may have an effect on our business and results of operations

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on November 30, 2023, our total outstanding indebtedness was ₹ 112.94 lakhs

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a shorter notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see ***"Statement of Financial Indebtedness"*** on page 170 of this Red Herring Prospectus.

28. Our Promoter Group company i.e. Sona Food India Private Limited is under Dormant Status.

Our Promoter Group company i.e. Sona Food India Private Limited was incorporated to start new project, which at the time of incorporation was not initiated and hence the Dormant status of the Company was availed in with the motive to start the new project in near future. We are not sure as to when we will be able to initiate the new project in near future as currently, we have not started any commercial operations in the above said company.

Please refer below details of the company:

Particulars	**Details**
Name of the company	Sona Food India Private Limited
CIN	U29299DL2021PTC378510
Address of the company	228 3rd Floor State Bank Nagar, Paschim Vihar-1, West Delhi, Delhi, Delhi, India, 110063
PAN number of the Company	ABFCS6861E
Date of Incorporation	March 15, 2021
Object of the Company	1. To carry on business as manufactures, importers, exporters, dealers of Rice mill machinery, Dal Mill Machinery, Flour mill Machinery and machinery for machinery for milling of other grains and cereats etc. and set up factories or mills for the manufactures thereof. 2. To carry on the business of manufacturers, wholesalers, dealers, exporters, importers of any kind of machinery, equipment and/or tools for the food processing industry and all kinds of machinery, tools, implements for all the kinds of industry including agricultural, horticultural and scientific instruments of any kind. 3. To undertake any kind of turnkey, engineering projects of any kind and to assemble, fabricate machines and tools and to deal in machinery, repairs, convert, alter, let on hire machinery, implements, tools and hardware of all kinds. 4. To engineer, develop, design, assemble, manufacture, produce, import, export, buy, sell, operate, run, repair, lease, hire or let on lease or hire and otherwise deal in all kinds of earth moving and agricultural machines, petrol and diesel engines, tools, plants, tractors, equipments, spares, appliances, implements, accessories, mobile or other forest cleaning, thrashing, harvesting, sowing, ploughing, digging and all other types of machinery used in agricultural operations; heavy vehicles and reclamation drainage, irrigation, waterworks, engineering, forest cleaning, pumping, and other purpose; spraying vehicles and equipments.

29. 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.

We have entered into various transactions with our Directors/ Promoters and Promoter Group members. These transactions, inter-alia include, remuneration, loans and advances, etc. For details, please refer to "Annexure-Y- Related Party Transactions" under Section titled ***"Financial Information of the Company"*** of this Red Herring Prospectus. Our Company has entered such transactions due to easy proximity and quick execution on arms-length price in compliance with provisions of Companies Act 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by 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.

30. Certain of our investments may be subject to market risk and we have not made any provisions for a possible decline of the value of such investments.

We have made certain investments in mutual funds. The value of these investments depends on several factors which are beyond our control, including the prevailing Indian and international economic conditions, inflationary expectations etc. Any decline in the value of these investments in future could affect our financial condition and results of operations. For details, please refer to Annexure H–Restated Statement of Non-Current Investments under Section titled "Financial Information of the Company" on page 136 of this Prospectus.

31. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.

Our performance depends upon the continued services efforts and abilities of our Promoters and Key managerial personnel, particularly Vasu Naren. He has gained experience in this line of business and has over the years-built relations with our suppliers, third party suppliers, customers 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 successful delivery of products, our overall business operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, please refer to Section ***"Our Management"*** on page 120 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 an adequate replacement in a timely manner, or at all. The loss of our promoters, senior management and other key personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the promoter, senior management and other key personnel could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy.

32. Compliance with, and changes in, safety, health and environmental laws and labour regulations may adversely affect our business, prospects, financial condition and results of operations.

Our operations are subject to central, state, and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. Due to the nature of our business, along with extensive and increasingly stringent environmental, health and safety laws and regulations, various labour related laws and regulations are also applicable on us.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

33. Dependence upon transportation services for supply and transportation of our products are subject to various uncertainties and risks, and delays in delivery may result in rejection of products by customer.

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of our finished products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third-party transport service providers and engage them on a need basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage, shrinkage and our inability to claim insurance may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

34. We may not be successful in implementing our business strategies.

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in its first year of operation, there is no guarantee that we can implement the same on time and within the estimated budget going forward or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations

35. The average cost of acquisition of Equity Shares by our Promoters, is lower than the face value of Equity Share.

The average cost of acquisition of Equity Shares of our Promoters is lower than the face value of Equity Shares i.e., ₹ 10/-. 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 Chapter titled ***"Capital Structure"*** beginning on page 55 of this Red Herring Prospectus.

36. 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 and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, properties given by them on lease/rental basis or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoters will exercise his rights as shareholder to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled ***"Our Business"***, ***"Our Promoters & Promoter Group"*** and ***"Annexure -Y - Related Party Transactions"***, beginning on pages 92, 132 and 136 respectively of this Red Herring Prospectus.

37. Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled / unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past, however there can be no assurance that we will not experience any such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

38. Loans availed by Our Company has been secured on personal guarantees of our director.

Our director has provided corporate/personal guarantee to secure a 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/corporate guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. 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 170 of this Red Herring Prospectus.

39. We are exposed to foreign currency fluctuation risks, particularly in relation to export of products, which may affect our results of operations, financial condition and cash flows.

We present our financial statements in Indian Rupees. We export our products to countries like Nepal, Bangladesh, Kenya, Nigeria etc. In period and fiscal year ending November 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 we derived revenue from export of 1.13%, 3.12%, 2.39% and 2.15 % of our total revenue from operations respectively. Although we generally seek to pass exchange rate fluctuations to our customers through increases in our prices, there can be no assurance that we will be able to do so immediately or fully, which could adversely affect our business, financial condition, results of operations and cash flows. Thus, our global operations expose us to foreign exchange rate risks, arising primarily from our receivables. There can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally.

40. Our historical performance is not indicative of our future growth or financial results and we may not be able to sustain our historical growth rates.

Our business has experienced significant growth in prior periods. Our revenue from operations has increased from ₹ 604.19 lakhs for the period from January 2021 to March 2021, to ₹ 4,451.59 Lakhs, ₹ 8,096.63 Lakhs and ₹ 6,275.28 lakhs in Financial Years 2022, 2023 and the eight months' period ended November 30, 2023 respectively. We cannot assure you that we will be able to sustain the levels of revenue growth that we have had in the past. As a relatively new player in this industry, we have a limited operating history and there is no assurance that we will be able to maintain our past rate of growth and succeed in realizing our growth strategy. Further, a number of our strategic initiatives are in initial stages. While we may experience initial success with such initiatives, there is no assurance that these will succeed in the long term.

41. Loans availed by Our Company has been secured on personal guarantees of our directors.

Our directors namely Vasu Naren has provided corporate/personal guarantee to secure a 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/corporate guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. 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 170 of this Red Herring Prospectus.

42. 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.

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. 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 beyond what the current balance sheet can sustain; 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 to equity ratio to increase or require us to create charges or liens on our assets in favor 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.

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 for our Working Capital requirements, as detailed in the section titled "Objects of the Issue" is to be funded from the proceeds of this IPO. 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 64 of this Red Herring Prospectus.

44. The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure as estimated by the management could result in execution delays or influence our profitability adversely.

The deployment of funds as stated in the ***"Objects of the Issue"*** beginning on page 64 of this Red Herring Prospectus is entirely at the discretion of our management and has not been appraised by any independent agency. Further, the purposes for which the Net Proceeds are to be utilized have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In the event, for whatsoever reason, we are unable to execute our plans, we could have a significant amount of

unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. In case the assumptions on which these estimates have been made are not correct or they become un-realistic then there will be a variation in the estimates and the actual expenditure incurred which could result in execution delays and have an adverse effect on our operations and profitability.

45. Information relating to our production capacities and the historical 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.

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, 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 information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated 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.

While we have obtained a certificate dated February 14, 2024 from by M/s. Sunrise Engineers, Chartered Engineers (registered as a chartered engineer with the Institution of Engineers (India) with membership number M1718058), there is no assurance that our installed capacities and capacity utilization rates, will not be significantly different. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information

46. The activities carried out at our manufacturing facilities can cause injury to people or property in certain circumstances.

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

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

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

48. We are subject to restrictive covenants under our credit facilities that limit our operational flexibility.

The loan agreements entered into by us with banks contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital, etc. Further, there can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see ***"Statement of Financial Indebtedness"*** on page 170 of this Red Herring Prospectus.

49. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue is for an amount not exceeding ₹10,000 lakhs, in terms of SEBI ICDR Regulations, our Company is not required to appoint an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our finances. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

50. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

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, working capital requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's 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, see ***"Dividend Policy"*** on page 135 of this Red Herring Prospectus.

51. Certain data mentioned in this Red Herring Prospectus has not been independently verified.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

52. 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 late payments or non-payments for any previous year and current year will affect the financial position of the Company. For instance, our company in the past had delayed filing of GSTR1/GSTR3B due to operational reasons and accordingly paid later fees and penalties on the same. Any demand or penalty raised by the concerned GST authority for such late filing may affect the financial position of the company.

53. Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.

Any future equity issuance by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

54. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Emerge Platform of NSE Platform in a timely manner or at all.

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

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

EXTERNAL RISK FACTORS

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

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by Centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. Further, there have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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 183 for details of the laws currently applicable to us. The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes a number of changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt for a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies. Any such future amendments may affect other benefits such as an exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would influence our profitability.

The Finance Act, 2022 ("Finance Act"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("DDT"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as nonresident and are likely to be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2023, which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

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

As substantially all of our operations are dependent on our customers who have their head offices or parent companies situated outside India, our financial performance and growth are necessarily dependent on economic conditions prevalent globally. 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 manmade disasters; downgrade in debt rating; and adverse economic conditions occurring elsewhere in the world, such as a slowdown in economic growth in China, the repercussions of the United Kingdom exit from the European Union and 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. Unfavorable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

59. The continuing effect of the COVID-19 pandemic on our business, results of operations and financial condition is highly uncertain and cannot be predicted.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our consumers. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession.

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. 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.

62. 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.

63. 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. 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 42 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. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

64. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, man-made disasters, including acts of war, terrorist attacks, environmental issues and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

India has experienced natural calamities such as earthquakes, tsunami, floods etc. 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.

65. 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 factor 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 72 of the Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, 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.

66. Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

SECTION IV – INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS	
Equity Shares Offered through Public Issue [(1)(2)]	Upto 36,24,000 Equity Shares aggregating to ₹ [●] Lakhs
Out of which:	
Issue Reserved for the Market Makers	1,82,000 Equity Shares aggregating to ₹ [●] Lakhs.
Net Issue to the Public	Upto 34,42,000 Equity Shares aggregating to ₹ [●] Lakhs.
Out of which*	
A. QIB Portion [(3)(4)]	Not more than 17,20,000 Equity Shares aggregating up to ₹ [●] lakhs.
Of which	
i) Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
Of which	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than 5,17,000 Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than 12,05,000 Equity Shares aggregating up to ₹ [●] lakhs
Pre and Post – Issue Equity Shares	
Equity Shares outstanding prior to the Issue	Upto 1,01,00,000 Equity Shares of face value of ₹10 each.
Equity Shares outstanding after the Issue	Upto 1,37,24,000 Equity Shares of face value ₹10 each.
Use of Net Proceeds by our Company	Please see the chapter titled ***"Objects of the Issue"*** on page 64 of this Red Herring Prospectus.

*[(1)] Public issue of upto 36,24,000 Equity Shares face value of ₹10.00 each for cash at a price of ₹ [●] per Equity Share of our Company aggregating to ₹ [●] 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 206 of this Red Herring Prospectus.*

Notes:

1) 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.

2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 01, 2023, 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 November 06, 2023.

3) 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 Managers and the Designated Stock Exchange, subject to applicable laws.

5) 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 209 of this Red Herring Prospectus.

SUMMARY OF RESTATED FINANCIAL STATEMENTS

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

PARTICULARS			As at the Period/Year ended			
			November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
A)	EQUITY AND LIABILITIES					
1.	Shareholders' Funds					
(a)	Share Capital		1,010.00	10.00	10.00	10.00
(b)	Reserves & Surplus		770.16	1,122.34	353.98	27.51
			1,780.16	**1,132.34**	**363.98**	**37.51**
2.	Non Current Liabilities					
(a)	Long Term Borrowings		63.32	101.65	26.78	-
(b)	Deferred Tax Liabilities (Net)		-	-	-	-
(c)	Long Term Provisions		35.55	37.48	8.59	2.13
			98.87	**139.13**	**35.37**	**2.13**
3.	Current Liabilities					
(a)	Short Term Borrowings		49.62	150.94	209.83	-
(b)	Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises; and			759.97	265.44	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.			644.41	641.69	538.48	514.38
(c)	Other Current Liabilities		706.16	254.84	226.36	143.60
(d)	Short Term Provisions		172.12	273.82	142.56	34.59
			2,332.27	**1,586.73**	**1,117.23**	**692.57**
	Total		**4,211.30**	**2,858.20**	**1,516.58**	**732.20**
B)	ASSETS					
1.	Non Current Assets					
(a)	Property, Plant & Equipment and Intangible Assets					
	i)	Tangible Assets				
		(i) Gross Block	848.20	547.76	306.72	241.24
		(ii) Depreciation	206.44	150.45	71.93	10.97
		(iii) Net Block	641.76	397.31	234.78	230.27
	ii)	Intangible Assets			-	-
		(i) Gross Block	44.73	40.50	38.75	33.51
		(ii) Depreciation	20.54	15.32	7.70	1.02
		(iii) Net Block	24.18	25.17	31.05	32.49
	iii)	Capital Work in Progress	-	-	-	-
			665.95	**422.49**	**265.83**	**262.76**
(b)	Non-Current Investment		481.00	399.59	-	-
(c)	Deferred Tax Assets (Net)		16.31	14.98	5.23	2.86
(d)	Long Term Loans and Advances		2.25	2.25	-	-
			499.56	**416.83**	**5.23**	**2.86**
2.	Current Assets					
(a)	Current Investments		-	-	-	-
(b)	Inventories		952.80	526.88	190.15	164.13
(b)	Trade Receivables		724.37	594.05	439.83	114.31
(c)	Cash and Cash equivalents		886.27	663.19	156.26	57.94
(d)	Short-Term Loans and Advances		424.84	221.24	459.29	130.20
(e)	Other Current Assets		57.52	13.52	-	-
			3,045.80	**2,018.89**	**1,245.52**	**466.58**
	Total		**4,211.30**	**2,858.19**	**1,516.58**	**732.21**

RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

PARTICULARS			For the Year/Period ended on			
			November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
1	Revenue From Operation		6,275.28	8,096.63	4,451.59	604.19
2	Other Income		12.83	21.43	1.48	2.14
3	Total Income (1+2)		6,288.11	8,118.06	4,453.07	606.33
4	Expenditure					
(a)	Cost of Goods Sold		3,799.42	5,126.18	2,906.86	548.93
(a)	Purchases of Stock in Trade		118.45	-	-	-
(a)	Changes in inventories of finished goods.		(169.20)	(63.06)	57.52	(131.91)
(a)	Employee Benefit Expenses		873.99	942.88	466.84	88.09
(b)	Finance Cost		10.26	51.43	7.55	-
(c)	Depreciation and Amortisation Expenses		68.87	88.42	68.03	11.99
(d)	Other Expenses		713.72	912.92	488.00	58.67
5	Total Expenditure 4(a) to 4(d)		5,415.52	7,058.78	3,994.80	575.78
6	Profit/(Loss) Before Exceptional & extraordinary items & Tax (3-5)		872.59	1,059.29	458.27	30.55
7	Exceptional item		0	0	0	0
8	Profit/(Loss) Before Tax (6-7)		872.59	1,059.29	458.27	30.55
9	Tax Expense:					
(a)	Tax Expense for Current Year		226.09	300.68	134.16	5.61
(b)	Short/(Excess) Provision of Earlier Year		-	-	-	-
(c)	Deferred Tax		(1.32)	(9.76)	(2.36)	(2.86)
	Net Current Tax Expenses		224.77	290.92	131.80	2.75
10	**Profit/(Loss) for the Year (8-9)**		**647.82**	**768.36**	**326.47**	**27.81**
11	**Earnings per equity shares (Face Value of ₹ 10 each)**					
	i	Basic	6.41	7.61	3.23	0.28
	ii	Diluted	6.41	7.61	3.23	0.28

RESTATED CASH FLOW STATEMENT

(₹ in Lakhs)

PARTICULARS	For the Period/Year ended on			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
A) Cash Flow from Operating Activities :				
Net Profit before tax	872.59	1,059.29	458.27	30.55
Adjustment for :				
Depreciation	68.87	88.42	68.03	11.99
Interest Paid	10.26	51.43	7.55	-
Provision of Gratuity & Leave Encashment	(1.53)	28.80	6.54	2.14
Loss/(Profit) on Sale of Asset	10.47	0.09		
Interest Income	(4.12)	(0.41)	(0.09)	(0.33)
Adjustment with the Retained earnings	-	-	-	-
Operating profit before working capital changes	**956.53**	**1,227.61**	**540.29**	**44.35**
Changes in Working Capital				
(Increase)/Decrease in Inventory	(425.92)	(336.74)	(26.02)	(164.13)
(Increase)/Decrease in Trade Receivables	(130.32)	(154.22)	(325.52)	(114.31)
(Increase)/Decrease in Short Term Loans & Advances and Provisions	(203.60)	238.05	(329.09)	(130.00)
(Increase)/Decrease in Other Current Assets	(44.00)	(13.52)	-	-
Increase/(Decrease) in Trade Payables	497.25	368.64	24.11	514.38
Increase/(Decrease) in Other Current Liabilities	451.32	28.48	82.75	143.10
Increase/(Decrease) in Short Term Provisions	(93.17)	74.31	29.45	31.46
Cash generated from operations	**1,008.12**	**1,432.60**	**(4.02)**	**324.85**
Less:- Income Taxes paid	(235.02)	(243.65)	(55.71)	(2.50)
Net cash flow from operating activities A	**773.10**	**1,188.96**	**(59.73)**	**322.35**
B) Cash Flow from Investing Activities :				
Purchase of Fixed Assets including of CWIP	(322.89)	(246.57)	(73.19)	(274.75)
Sales of Fixed Assets including of CWIP	0.10	1.40	2.10	-
Long term Investment made/Sold during the year	(81.41)	(399.59)	-	-
(Increase)/Decrease in Current Investment (Non-Operating)	-	-	-	-
Increase/(Decrease) in Long Term Loans and Advances	-	**(2.25)**	-	-
Interest Income	4.12	0.41	0.09	0.33
Net cash flow from investing activities B	**(400.09)**	**(646.60)**	**(71.01)**	**(274.41)**
C) Cash Flow from Financing Activities :				
Proceeds from Fresh Issue of Share Capital	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	(101.33)	(58.88)	209.83	-
Interim Dividend and Dividend Distribution Tax Paid				
Increase/(Decrease) in Long Term Borrowings	(38.33)	74.87	26.78	-
Interest Paid	(10.26)	(51.43)	(7.55)	-
Net cash flow from financing activities C	**(149.93)**	**(35.44)**	**229.06**	**-**
Net Increase/(Decrease) In Cash & Cash Equivalents **(A+B+C)**	223.09	506.92	98.32	47.94
Cash equivalents at the beginning of the year	663.19	156.26	57.94	10.00
Cash equivalents at the end of the year	886.27	663.19	156.26	57.94

Notes :-	**November 30, 2023**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
1. Component of Cash and Cash equivalents				
Cash on hand	3.55	4.74	0.76	0.84
Balance With banks	882.72	658.45	155.50	57.10
	886.27	**663.19**	**156.26**	**57.94**

2. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

GENERAL INFORMATION

Brief Summary:

Our Company was originally incorporated as a Private Limited Company under the name of "Sona Machinery Private Limited" on February 12, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting, held on September 21, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from "Sona Machinery Private Limited" to "Sona Machinery Limited" vide a fresh certificate of incorporation Consequent upon conversion to public company dated October 17, 2023, issued by the Registrar of Companies, Delhi and bearing CIN U29256DL2019PLC345856.

For further details please refer to chapter titled ***"History and Corporate Structure"*** beginning on page 116 of this Red Herring Prospectus.

Registered Office:

Sona Machinery Limited
Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5,
Netaji Subhash Place, Maurya Enclave, North West Delhi,
Delhi – 110034, India.
Email: finance@sonamachinery.com
Website: www.sonamachinery.com
CIN: U29256DL2019PLC345856
Registration Number: 345856

Corporate Office/ Manufacturing unit:

F-16 & C-1, Sec A-3, Tronica City, GZB,
Loni, Ghaziabad-201103, Uttar Pradesh India.
Tel. No.: +91-8448984368
Email: finance@sonamachinery.com
Website: www.sonamachinery.com

Address of the Registrar of Companies:

Registrar of Companies, Delhi
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi 110019, India
Tel No: 011-26235703/26235708
Email id: roc.delhi@mca.gov.in
Website: www.mca.gov.in

Board of Directors:

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

Sr. No.	Name of Directors	Designation	Address	DIN
1.	Vasu Naren	Chairman & Managing Director	House No.228, 4th Floor, State Bank Nagar, Near Sehgal Hospital, Paschim Vihar, New Delhi-110063, Delhi, India	06915821
2.	Shweta Baisla	Wholetime Director & CFO	House No.228, 4th Floor State Bank Nagar, Paschim Vihar, New Delhi-110063, Delhi, India	09652443
3.	Naman Jain	Independent Director	H.No.243, Moh. Frashkhana, Narnaul-123001, Haryana, India.	08359842
4.	Preet Kumar	Independent Director	20, Archna Enclave Near Sahil Public School, Khora Gaon, Gautam Buddha Nagar, Dadri - 201309,Uttar Pradesh, India	10371737
5.	Akash Kumar Bansal	Independent Director	Near Rajasthan Bank, Chirawa Road, Indira Colony, Singhana, Jhunjhunun-333516, Rajasthan India	10469091

For further details in relation to our directors, please refer to chapter titled ***"Our Management"*** on page 120 of this Red Herring Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
Shweta Baisla **Sona Machinery Limited** **Address**: Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India **Tel. No.**: +91-8448984366 **Email**: shwetabaisla@sonamachinery.com **Website**: www.sonamachinery.com	**Supriya** **Sona Machinery Limited** **Address**: Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India **Tel. No.**: +91-8448984368 **Email**: cs@sonamachinery.com **Website**: www.sonamachinery.com

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:

Book Running Lead Manager to the Issue	Legal Advisor to the Issue
Hem Securities Limited **Address**: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India **Tel No.:**+91-22-4906 0000 **Email**: ib@hemsecurities.com **Investor Grievance Email:** redressal@hemsecurities.com **Website**:www.hemsecurities.com **Contact Person**: Ajay Jain **SEBI Reg. No.:** INM000010981	**Zenith India Lawyers** **Address:** D-49, SL-III, Sector-57, Gurugram, Haryana – 122003, India **Tel No.:** +91-9899016169 **Email**: raj@zilawyers.com **Contact Person**: Raj Rani Bhalla **Designation:** Partner
Registrar to the Issue	**Statutory Auditor**
Maashitla Securities Private Limited **Address:** 451, Krishna Apra Business Square, Netaji Subhash Place, gpura, New Delhi, 110034 **Tel No:** +91-11-45121795 **Email:** ipo@maashitla.com **Investor Grievance ID:** investor.ipo@maashitla.com **Contact Person:** Mr. Mukul Agrawal **Website:** www.maashitla.com **SEBI Registration No.:** INR000004370 **CIN:** U67100DL2010PTC208725	**M/s. R K Jagetiya & Co.** Chartered Accountants, **Address:** B-303, Eklavya CHSL, N. L. Complex, Dahisar East, Mumbai – 400068, Maharashtra, India **Tel No.:** +91-9820800926 **Email:** rkjagetiyaco@gmail.com **Firm Registration No.:** 146264W **Membership No:** 134691 **Peer Review Certificate Number:** 013198 **Contact Person:** Ravi Kant Jagetiya

Bankers to our Company	Syndicate Member
Yes Bank Ltd **Address:** Plot No -10, GF, Paschim Enclave, Peeragarhi, Delhi – 110087, India **Tel No.:** 011-49279405 **Email:** dlteambsdpeeragarhi@yesbank.in **Contact Person:** Chaitanya Dawar **Designation:** Branch Manager	**Hem Finlease Private Limited** **Address:** 203, Jaipur Tower, M. I. Road, Jaipur-302001 Rajasthan **Tel No.:** +91-141-4051000 **Email Id:** ib@hemsecurities.com **Website:** www.hemsecurities.com **Contact Person:** Ashok Soni **SEBI Registration Number:** INZ000167734
Bankers to the Issue/ Refund Banker/Sponsor Bank	
HDFC Bank Limited **Address:** Lodha - I Think Techno Campus, O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400042 MH **Tel:** +91-22-30752914 / 28 / 29 **Email:** siddharth.jadhav@hdfcbank.com, eric.bacha@hdfcbank.com, sachin.gawade@hdfcbank.com, tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com **Contact Person:** Eric Bacha/ Sachin Gawade/ Pravin Teli/ Siddharth Jadhav/ Tushar Gavankar **Website:** www.hdfcbank.com **SEBI Registration Number:** INBI00000063	

Designated Intermediaries:

Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link. https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34; https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41

Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail 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 Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19 for NSDL CDPs and at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18 for CDSL CDPs, as updated from time to

time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Brokers to the Issue

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

Experts Opinion

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

(i) Our Company has received consent from the R K Jagetiya & Co., Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (a) Auditors' reports on the restated financial statements; and (b) Statement of Tax Benefits (c) Statement of Financial Indebtedness. Such consent has not been withdrawn as on the date of this Red Herring Prospectus, and;

(ii) Our Company has received consent from the Chartered Engineer, to include their name as required under Section 26 of the Companies Act read with the SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert", as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an independent chartered engineer, in relation to the certificate, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this Red Herring Prospectus 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 ₹ 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 Issue Proceeds.

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Appraising Entity

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

Credit Rating

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

IPO Grading

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

Trustees

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

Debenture Trustees

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

Filing of Offer Document with the Designated Stock Exchange/SEBI/ROC

The Red Herring Prospectus is being filed with Emerge Platform of 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 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 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.

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 in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Delhi Edition of Regional newspaper Pratah Kiran 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 Ltd. 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 is invited to the chapter titled ***"Issue Procedure"*** beginning on page 209 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 209 of this Red Herring Prospectus.

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 BRLM, 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.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled ***"Issue Procedure"*** on page 209 of this Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

Bid/ Issue Program:

Event	Indicative Dates
Bid/ Issue Opening Date	Tuesday, March 05, 2024[1]
Bid/ Issue Closing Date	Thursday, March 07, 2024[2]
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about Monday, March 11, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about Tuesday, March 12, 2024
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about Tuesday, March 12, 2024
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about Wednesday, March 13, 2024

Note [1]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

[2]Our Company in consultation with the BRLM, 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.

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 6 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 maybe extended in consultation with the BRLM, RTA and BSE SME 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.

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 February 05, 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:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
Hem Securities Limited **Address:** 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, MH **Tel No.:** +91-22-4906 0000 **Email Id:** ib@hemsecurities.com **Investor Grievance Email:** redressal@hemsecurities.com **Website:** www.hemsecurities.com **Contact Person:** Rohit Sharma **SEBI Registration Number.:** INM000010981	36,24,000	[●]	100%

**Includes 1,82,000 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 Auditors during the last three (3) years

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

Details of Auditor	Date of Change	Reason
Neha Bhargava & Associates Chartered Accountants, **Address:** B-203, Turab Nagar, Ghaziabad-201001 Uttar Pradesh, India **Tel No.:** +91-120-4106372 **Email:** canehabhargava@gmail.com **Firm Registration No.:** 027473C **Membership No:** 416209 **Contact Person:** Neha Bhargava	December 09, 2020	Appointment of Statutory Auditors in casual vacancy
	December 31, 2020	Appointment/Re-appointment in AGM
	March 05, 2021	Resignation due to unavoidable reasons
Sanjay V Gupta & Associates Chartered Accountants, **Address:** WZ-1003, IInd Floor, Rani Bagh, Delhi-110034 **Tel No.:** +91-11-47050175 **Email:** svguptassociates@yahoo.co.in **Firm Registration No.:** 018701N **Membership No:** 500613 **Contact Person:** Sanjay Gupta	March 29, 2021	Appointment of Statutory Auditors in casual vacancy
	November 30, 2021	Appointment/Re-appointment in AGM
	September 05, 2023	As per the requirement of the company, the firm was not peer reviewed
M/s. R K Jagetiya & Co. Chartered Accountants, **Address:** B-303, Eklavya CHSL, N. L. Complex, Dahisar East, Mumbai – 400068, Maharashtra, India **Tel No.:** +91-9820800926 **Email:** rkjagetiyaco@gmail.com **Firm Registration No.:** 146264W **Membership No:** 134691 **Peer Review Certificate Number:** 013198 **Contact Person:** Ravi Kant Jagetiya	September 30, 2023	Appointment of Statutory Auditors in casual vacancy

Details of the Market Making arrangement for this Issue

Our Company has entered into a Market Making Agreement dated February 05, 2024 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

Name	Hem Finlease Private Limited
Correspondence Address	203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India
Tel No.	0141-4051000
E-mail	ib@hemsecurities.com
Website	http://www.hemsecurities.com/
Contact Person	Ashok Soni
SEBI Registration No.	INZ000168034
Market Maker Registration No.	SMEREG2020090906741

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 fulfill the obligations of Market Making) dated February 05, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Hem Finlease Private Limited, registered with Emerge Platform of NSE 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 fulfill 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) 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. NSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** Emerge Platform of NSE 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 BRLM, reserve the right to not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the 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 BRLM, 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 Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh offer document 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 Prospectus, which our Company will apply for only after Allotment; and (ii) the final Registrar of Companies approval of the Prospectus.

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, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**Authorized Share Capital** 1,50,00,000 Equity Shares having Face Value of ₹ 10/- each	1,500.00	-
B	**Issued, Subscribed & Paid-up Share Capital prior to the Issue** 1,01,00,000 Equity Shares having Face Value of ₹10/- each	1,010.00	-
C	**Present Issue in terms of this Red Herring Prospectus*** Upto 36,24,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share	362.40	[●]
	Which comprises of:		
D	**Reservation for Market Maker Portion** 1,82,000 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	**Net Issue to Public** Net Issue to Public of 34,42,000 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
	Of which:		
	i. At least [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	ii. Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to investors other than Retail Individual Investors (including Non- Institutional Investors and Qualified Institutional Buyers).	[●]	[●]
F	**Issued, Subscribed and Paid-up Equity Share Capital after the Issue**		
	Upto 1,37,24,000 Equity Shares of face value of ₹10/- each	1,372.40	
G	**Securities Premium Account**		
	Before the Issue (as on date of this Red Herring Prospectus)	Nil	
	After the Issue	[●]	

**The Issue of upto 36,24,000 Equity Shares in terms of this Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated November 01, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members of the company held on November 06, 2023.*

Classes of Shares:

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹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.

NOTES TO THE CAPITAL STRUCTURE:

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

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	1,00,000	10/-	10.00	-	N.A.
2.	Increase in Authorized Share Capital from ₹ 10.00 Lakhs to ₹ 1,500.00 Lakhs	1,50,00,000	10/-	1,500.00	September 11, 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) (₹)	Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid-Up Capital (₹)
Upon Incorporation	1,00,000	10	10	Cash	Subscription to MOA[(i)]	1,00,000	Nil	10,00,000
September 13, 2023	1,00,00,000	10	-	Other than Cash	Bonus Issue in the ratio of 100:1 [(ii)]	1,01,00,000	Nil	10,10,00,000

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

(i) Initial Subscribers to the Memorandum of Association subscribed 1,00,000 Equity Shares of Face Value of ₹10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Narender Kumar	70,000
2.	Vasu Naren	30,000
	Total	**1,00,000**

(ii) Bonus issue of 1,00,00,000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 100:1 i.e., One Hundred (100) Bonus Equity Shares for every One (1) Equity Shares held by shareholders. (refer point no. 4 below for allottees list)

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

3. Except as mentioned in point number 2 a (ii) above, the Company has not issued any Equity Share in the last two years preceding the date of the Red Herring Prospectus.

4. Issue of Equity Shares for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotteed
September 13, 2023	1,00,00,000	10.00	Nil	Bonus Issue in the ratio of 100:1	Capitalization of Reserves & Surplus	Vasu Naren	90,00,000
						Narender Kumar	10,00,000
						TOTAL	**1,00,00,000**

5. 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.

6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

7. Except for Bonus Issue made on September 13, 2023, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Red Herring Prospectus. *(refer point no. 4 above for allottees list)*

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:

I - Our Shareholding Pattern:

Sr No	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 a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights										
								Class Equity Shares of ₹10/- each^	Class eg: y	Total	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)	
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoter & Promoter Group	3	1,00,99,996	-	-	1,00,99,996	99.99	1,00,99,996	-	1,00,99,996	99.99	-	-	-		-		1,00,99,996
(B)	Public	4	4	-	-	4	Negligible	4	-	4	Negligible	-	-	-		-		4
(C)	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	**7**	**1,01,00,000**	**-**	**-**	**1,01,00,000**	**100.00**	**1,01,00,000**	**-**	**1,01,00,000**	**100.00**	**-**	**-**	**-**		**-**		**1,01,00,000**

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 ₹ 10/- each.

We have entered into tripartite agreement with CDSL & 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 NSE before commencement of trading of such Equity Shares.

10. **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.	Vasu Naren	90,90,000	90.00
2.	Narender Kumar	7,07,000	7.00
3.	Shweta Baisla	3,02,996	3.00
	Total	**1,00,99,996**	**100.00**

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.	Vasu Naren	90,90,000	90.00
2.	Narender Kumar	7,07,000	7.00
3.	Shweta Baisla	3,02,996	3.00
	Total	**1,00,99,996**	**100.00**

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 Shar Capital
1.	Narender Kumar	70,000	70.00
2.	Vasu Naren	30,000	30.00
	Total	**1,00,000**	**100.00**

*Details of shares held on February 27, 2023 and percentage held has been calculated based on the paid-up capital of our Company as on February 27, 2023.

d) Two Years 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.	Narender Kumar	70,000	70.00
2.	Vasu Naren	30,000	30.00
	Total	**1,00,000**	**100.00**

*Details of shares held February 27, 2022 and percentage held has been calculated based on the paid-up capital of our Company as on February 27, 2022.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. 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 offer, 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.

13. **Capital Build-up in respect of Shareholding of our Promoters**

As on the date of this Red Herring Prospectus, Our Promoters Vasu Naren & Shweta Baisla holds 93,92,996 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 % (adjusted as per face value)	Post-Issue Shareholding % (adjusted as per face value)
Vasu Naren							
February 12, 2019	30,000	10	10	Cash	Subscriber to MOA	0.30	0.22
July 11, 2023	60,000	10	-	-	Acquisition by way of Gift [(i)]	0.59	0.44
September 13, 2023	90,00,000	10	-	Other than Cash	Bonus in the ratio of 100:1	89.11	65.58
September 14, 2023	3,000	10	-	-	Acquisition by way of Gift [(ii)]	0.03	0.02
September 14, 2023	(3,000)	10	-	-	Transfer of shares by way of Gift [(iii)]	(0.03)	(0.02)
September 20, 2023	3,00,000	10	-	-	Acquisition by way of Gift [(iv)]	2.97	2.19
September 20, 2023	(3,00,000)	10	-	-	Transfer of shares by way of Gift [(v)]	(2.97)	(2.19)
Total (A)	**90,90,000**					**90.00**	**66.23**
Shweta Baisla							
September 14, 2023	3,000	10	-	-	Acquisition by way of Gift (vi)	0.03	0.02
September 20, 2023	3,00,000	10	-	-	Acquisition by way of Gift (vii)	2.97	2.19
September 20, 2023	(4)	10	10	Cash	Transfer of Shares (viii)	(0.00)	(0.00)
Total (B)	**3,02,996**					**3.00**	**2.21**
Total (A+B)	**93,92,996**					**93.00**	**68.44**

Note: None of the Shares has been pledged by our Promoters.

(i) Details of Acquisition of 60,000 shares to Vasu Naren:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	July 11, 2023	Narender Kumar	60,000
		Total	**60,000**

(ii) Details of Acquisition of 3,000 shares to Vasu Naren:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	September 14, 2023	Narender Kumar	3,000
		Total	**3,000**

(iii) Details of transfer of 3,000 shares by Vasu Naren:

Sr. No.	Date of Transfer	Name of Transferee	No. of Shares Transferred
1.	September 14, 2023	Shweta Baisla	3,000
		Total	**3,000**

(iv) Details of Acquisition of 3,00,000 shares to Vasu Naren:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	September 20, 2023	Narender Kumar	3,00,000
		Total	**3,00,000**

(v) Details of transfer of 3,00,000 shares by Vasu Naren:

Sr. No.	Date of Transfer	Name of Transferee	No. of Shares Transferred
1.	September 20, 2023	Shweta Baisla	3,00,000
		Total	**3,00,000**

(vi) Details of acquisition of 3,000 shares to Shweta Baisla:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	September 14, 2023	Vasu Naren	3,000
		Total	**3,000**

(vii) Details of acquisition of 3,00,000 shares to Shweta Baisla:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	September 20, 2023	Vasu Naren	3,00,000
		Total	**3,00,000**

(viii) Details of transfer of 4 shares by Shweta Baisla:

Sr. No.	Date of Transfer	Name of Transferee	No. of Shares Transferred
1.	September 20, 2023	Abhishek Kumar Maddheshiya	1
2.		Abhishek Rai	1
3.		Ankit Aggarwal	1
4.		Rajeev Chauhan	1
		Total	**4**

14. **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.	Vasu Naren	90,90,000	0.03
2.	Shweta Baisla	3,02,996	0.00

15. **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
	Promoters				
1.	Vasu Naren	90,90,000	90.00	90,90,000	66.23
2.	Shweta Baisla	3,02,996	3.00	3,02,996	2.21
	Sub Total (A)	**93,92,996**	**93.00**	**93,92,996**	**68.44**
	Promoter Group				
3.	Narender Kumar	7,07,000	7.00	7,07,000	5.15
	Sub Total (B)	**7,07,000**	**7.00**	**7,07,000**	**5.15**
	Grand Total (A+B)	**1,00,99,996**	**100.00**	**1,00,99,996**	**73.59**

16. Except as provided 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/ Transfer	Name of Shareholders	No. of Equity Share	% of Pre issue Capital	Allotted/ Acquire/ Transfer	Category of Allottees (Promoter/ Promoter Group/ Director)
July 11, 2023	Narender Kumar	(60,000)	(0.59)	Transfer	Promoter Group
July 11, 2023	Vasu Naren	60,000	0.59	Acquire	Promoter/ Director
September 13, 2023	Narender Kumar	10,00,000	9.90	Allotted	Promoter Group
	Vasu Naren	90,00,000	89.11	Allotted	Promoter/ Director
September 14, 2023	Narender Kumar	(3,000)	(0.03)	Transfer	Promoter Group
	Vasu Naren	3,000	0.03	Acquire	Promoter/ Director
	Vasu Naren	(3,000)	(0.03)	Transfer	Promoter/ Director
	Shweta Baisla	3,000	0.03	Acquire	Promoter/ Director
September 20, 2023	Narender Kumar	(3,00,000)	(2.97)	Transfer	Promoter Group
	Vasu Naren	3,00,000	2.97	Acquire	Promoter/ Director
	Vasu Naren	(3,00,000)	(2.97)	Transfer	Promoter/ Director
	Shweta Baisla	3,00,000	2.97	Acquire	Promoter/ Director

Date of Allotment/ Transfer	Name of Shareholders	No. of Equity Share	% of Pre issue Capital	Allotted/ Acquire/ Transfer	Category of Allottees (Promoter/ Promoter Group/ Director)
	Shweta Baisla	(4)	(0.00)	Transfer	Promoter/ Director

17. 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.

18. **Details of Promoters' Contribution Locked-in for Three Years**

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.11% 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 hold 93,92,996 Equity Shares constituting 93.00% of the Issued, subscribed and paid-up Equity Share Capital of our Company.

Our Promoter, Vasu Naren has given written consent to include 27,60,000 Equity Shares held by them and subscribed by them as part of Promoters' Contribution constituting 20.11% of the post issue Equity Shares of our Company. Further, he has 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
Vasu Naren						
September 13, 2023	27,60,000	10	-	Bonus Issue	20.11	3 years
Total	**27,60,000**				**20.11**	**3 years**

**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 and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations 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 Promoter, 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. **Hence Eligible**
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. **Hence Eligible**
237(1)(b)	Specified securities acquired by promoter 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. **Hence Eligible.**
237(1)(c)	Specified securities allotted to promoter during the preceding one 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	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible.**

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoter of the issuer and there is no change in the management: Provided that specified securities, allotted to promoter against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	
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. **Hence Eligible.**

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 share capital constituting 73,40,000 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:

a) 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's 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.

b) 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.

c) 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 promoters 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.

19. 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.

20. As on the date of this Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid- up Equity shares.

21. 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.

22. 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.

23. We have 7 shareholders as on the date of filing of this Red Herring Prospectus.

24. 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.

25. Our Company has not raised any bridge loan against the proceeds of the Issue.

26. As on the date of this Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.

27. 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 the Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.

28. An over-subscription to the extent of 1% of the Issue subject to the maximum post issue paid up capital of ₹ 25 cr. 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 Promoters 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.

29. 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 a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Category will not be allowed to be met with spill over from any category or combination thereof.

30. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.

31. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

32. 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.

33. There are no Equity Shares against which depository receipts have been issued.

34. Other than the Equity Shares, there is no other class of securities issued by our Company.

35. There are no safety net arrangements for this public issue.

36. As per RBI regulations, OCBs are not allowed to participate in this issue.

37. Our Promoters and Promoter Group will not participate in this Issue.

38. This Issue is being made through Book Building Method.

39. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

40. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

41. 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 Applicant.

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

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 36,24,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. Funding the Capital Expenditure requirements of our company towards setting up of a new manufacturing unit at Ghaziabad.
2. Repayment of the outstanding amount of the Letter of Credit availed by our company for purchase of machinery.
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.

Net Proceeds

The details of the Net Proceeds are set forth below:

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds	[●]

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:

(₹ in Lakhs)

S. No.	Particulars	Amount
1.	Funding the Capital Expenditure requirements of our company towards setting up of a new manufacturing unit at Ghaziabad.	2,891.25
2.	Repayment of the outstanding amount of the Letter of Credit availed by our company for purchase of machinery.	200.80
3.	General Corporate Purpose	[●]
	Total	[●]

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:

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	Net Issue Proceeds	[●]
	Total	[●]

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.

Subject to applicable law, if the actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilisation 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. The Objects may be varied in the

manner provided in ***"Objects of the Issue – Variation in Objects"*** on page 64. 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 22 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. Funding the Capital Expenditure requirements of our company towards setting up of a new manufacturing unit at Ghaziabad.

As on the date of this Red Herring Prospectus, our existing manufacturing unit is located at F-16 & C-1, Sector A-3, Tronica City, Loni, Ghaziabad – 201103, Uttar Pradesh, India, admeasuring the total area of 52,205 sq. ft., where we are manufacturing diversified Agro-processing equipment's, including equipment's to facilitate the processing of rice, pulses, wheat, spices, Barnyard Millet etc. which includes Grains Pre-Cleaner machines, Rotary Drum Cleaner, Vibro Classifiers, Stone Separator Machines, Paddy De-Husker, Husk Aspirator, Rice Thick/Thin Grader, Rice Whitener, Silky Polisher, Multi Grader, Length Grader, Belt Conveyer, Bucket Elevator etc. along with the complete projects for rice mills and ethanol-distilleries. Our Company intends to expand its manufacturing capabilities through manufacturing existing and new products like Hammer mill, pulverizer, Paddy Driers etc.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for setting up of manufacturing unit, as described herein are based on our current business plan, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency.

Estimated Costs

A brief description of the estimated cost involved is provided below:

(₹ in Lakhs)

Particulars	Estimated Amount	Expenditure Incurred till February 20, 2024	Funding from IPO
Land	1,500.00	150.00	1,350.00
Building and Civil Works	722.40	-	722.40
Plant & Machinery	818.85	-	818.85
Total	**3,041.25**	**150.00**	**2,891.25**

The total cost involved in setting up of manufacturing unit has been estimated by our management and is based on the quotations received from third party suppliers/ contractors and certified by M/s. Sunrise Engineers Chartered Engineer dated February 27, 2024.

Land

The proposed manufacturing unit for manufacturing existing and new products as mentioned above, is envisaged to be set up at Khasra No. 33, Village Nanu Pargana Loni, Ghaziabad, India. Our Company has signed agreement with Ramesh Kumar Gupta and Sanjay Singh vide agreement of sale dated November 21, 2023 for acquisition of land admeasuring to approx. 90729 sq. ft. for total consideration of ₹ 1500.00 Lakhs. Our Company has paid total consideration of ₹150.00 Lakhs as an advance (₹ 12 Lakhs on November 03, 2023 vide cheque no. 824864 and ₹ 138 lakhs through RTGS on November 21, 2023). The said land proposed to be acquired is free from all encumbrances and has a clear title and will be registered in the name of the Company. We will apply all the approvals pertaining to land once registered in our name.

Some of the necessary Licenses/Approvals/NOC to be received from relevant authorities are listed below:

S. No.	Nature of License/ Approval/ NOCs	Name of Such License/ Approval/ NOCs	Name of Authority	Timeline for making Application
1	Registered deed	Registry / Sale Deed	Sub- registrar Ghaziabad	As per agreement between Issuer Co. and Vendor, i.e. by March 2024
2	Layout Plan from GDA for Construction of Building on the said land	Verification required from master plan of the Dist- Ghaziabad	Ghaziabad Development Authority	It is free hold property, hence not required to be taken
3	NOC form Nagar Nigam	Nagar Nigam	Nagar Palika Parishad	15-30 Days post Registry i.e. by April 2024
4	NOC from Tehsil	NOC	Loni Tehsil	15-30 Days post Registry i.e. by April 2024
5	Feasibility certificate	Electrical NOC	Pashchimanchal Vidyut Vitran Nigam Limited	15-30 Days post Registry i.e. by April 2024
6	No objection certificate for Sanction of Drawing	Drawing Sanction (GDA)	GDA	Minimum 60 days required from Date of Registry i.e. by May 2024

Building and Civil Works

Building and civil works for the Project mainly includes all civil work with soil filling, PEB structure work, electric work, water sewerage work and boundary work etc. The total estimated cost for civil construction (building) is ₹ 722.40 Lakhs. Our Company has received quotation dated November 19, 2023 from M/s. SABA Pre Engineering for the site development and civil works. The detailed break-up is hereunder:

(₹ in lakhs)

Name of Work	Specification of Work	Amount
Pre-Engineered Building ("PEB") Complete Structure	Pre-Engineered Building ("PEB") complete structure with civil work including brick wall, 20' cladding, plaster, emulsun paint, 100 mm Floor RCC etc. measuring about 40,000 sq. ft.	236.00
Office Building	G+2 floor building including civil & finishing work, electric work, plumbing work, falls ceiling, etc. measuring about 2,500 sq. ft.	175.50
Boundary Wall	Brick wall with plaster, texture paint etc.	75.32
All kind of soil work	Supply and filling in ground and surrounding areas with good yellow earth brought from outside in layers of 150 mm thickness, including consolidating each layer by ramming, watering and rolling with vibro roller to achieve maximum compacted surface in required level.	77.78
Civil Works	Driveway, planter guard room, electric room, water tank, street light, earth filling, CC road etc.	157.80
Total		**722.40**

Our company undertakes to file necessary applications with the relevant authorities to obtain all approvals, as applicable at the relevant stages, including but not limited to those mentioned below:

S. No.	Nature of License/ Approval/ NOCs	Applicable Laws	Name of Authority	Expected timeline to make the Application
1	License to work a factory at Ghaziabad	Factories Act, 1948	Labour Department, Uttar Pradesh	Within 60 days from electricity Connection
2	Certificate of Stability of Factory or Part of Factory	Under Rule 3(3) of UP Factory Rules, 1950	Chartered Engineer	Within 30 days from establishment of New Factory
3	NOC from Fire Department	Factories Act, 1948	Chief Fire Officer, Ghaziabad, UP	Within 60 days from electricity Connection
4	Self-Sealing Permission	CBEC Circular No.26/2017-Customs dated July 1, 2017	Office of Principal Commissioner of Customs Noida, UP	Within 90 days from establishment of New Factory
5	Non-Polluting Industry Certificate for Jobbing and Machining	EM-Part 1 (9179/22022014) UP State Pollution Control Board Govt. Order No. 2164/37/ARN/97 dated June 3, 1997 for List of 220 Non-polluting Industries.	General Manager, District Industries Centre, Ghaziabad, UP	Within 60 days from electricity Connection

Plant & Machinery

Our Company proposes to acquire plant and machinery at an estimated cost of ₹ 818.85 Lakhs. Our Company has identified the type of plant and machinery to be purchased for the proposed manufacturing unit and obtained quotations from various vendors but we are yet to place order for 100% of the plant and machinery. The detailed list of plant & machinery to be acquired by our Company is provided below:

(₹ in lakhs)

Date of Quotation/ Performa Invoice	Name of Plant & Machinery	Supplier Name	No of Machines	Date of placement of order	Date or expected date of supply	Amount
November 28, 2023	Turret Punching Machine - TruPunch 1000 (S05)	TRUMPF (India) Pvt. Ltd.	1	Order not placed	--	344.43
November 09, 2023	Painting Booth, Oven & Material Handling Systems (Automated Painting Line Setup)	Spray Technics	1	Order not placed	--	56.64
November 17, 2023	CNC Automatic Turning and Milling machine	Yamazaki Mazak Singapore Pte Ltd	1	Order not placed	--	99.32
November 16, 2023	CNC Automatic Turning and Milling machine	Yamazaki Mazak Singapore Pte Ltd	1	Order not placed	--	150.85
November 16, 2023	CNC Automatic Horizontal Milling Centre	Yamazaki Mazak Singapore Pte Ltd	1	Order not placed	--	167.61
	Total					**818.85**

As per Quotation received from Suppliers

The Quotation was received in JPY and SGD. (Source – (1 JPY = 0.5587 INR and 1SGD = 62.0745 INR) www.xe.com dated November 20, 2023)

Notes:

a) Quotation received from the vendor mentioned above is valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually civil work and supply the Plant & Machinery or at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals see ***"Risk Factor– "If there are delays in setting up the Proposed Facilities or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or the purchase of plant and machinery for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth"*** on page 24 of this Red Herring Prospectus.

b) The Plant & machinery models and quantity to be purchased and Building & Civil works are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipments or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment's and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

c) We are not acquiring any second-hand machinery.

d) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of freight expenses, installation charges, packaging & forwarding, exchange rate fluctuations, custom duty etc. Such cost escalation would be met out of our internal accruals.

Other confirmations relating to the proposed expansion:

Estimation of the cost of setting up of new manufacturing unit has been derived and provided by the Chartered Engineer. Any escalation in Building & Civil Work along with escalation in the cost of plant and machineries to be purchased, will be met from Internal Accruals of our Company. Some of the plant & machinery shall be imported from abroad, payment of which will be made by our Company in Indian Rupee.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of building civil works, or in the entities from whom we have obtained quotation in relation to such activities.

Further, we hereby confirm that Ramesh Kumar Gupta and Sanjay Singh are not connected in any way with the directors, promoters and promoters' group, group company and any other entity controlled or influenced by the promoters or directors of the issuer.

The proposed Schedule of Implementation for setting up of a new manufacturing unit is as follows:

Particular	Estimated month of	
	Commencement	Completion
Land	November, 2023	March, 2024
Building and Civil Works (includes plumbing, paint work, tiles etc.)	March, 2024	August, 2024
Order of Plant & Machineries	March, 2024	July, 2024
Delivery of Plant & Machinery	August, 2024	
Installation of Plant & Machinery	September, 2024	
Trial Run	September, 2024	
Commercial Operation	October, 2024	

As certified by Sunrise Engineers, Chartered Engineer vide certificate dated February 27, 2024.

2. Repayment of the outstanding amount of the Letter of Credit availed by our company for purchase of machinery.

We have purchased a machinery i.e. Amada Laser Cutting Machine Model VS3015AJ-3KW with Stand and Accessories, for our existing manufacturing unit, for a total consideration of ₹ 296.18 lakhs, out of which we have already made a payment of ₹ 95.38 Lakhs and for balance payment of ₹ 200.80 lakhs, we have issued an irrecoverable Letter of Credit payable at 86 Days from the date of issue of this Letter of Credit i.e. November 13, 2023. This Letter of Credit is established in favour of M/s. Amada (India) Pvt. Ltd.

The details of the letter of credit availed by our Company, which is proposed to be fully paid from the Net Proceeds is mentioned below:

(in ₹ lakhs)

Sr. No.	Name of the lender	Letter of Credit No.	Issue Date	Expiry Date	Tenure	Amount Outstanding
1	Yes Bank Ltd	003LM02233170002	November 13, 2023	February 07, 2024 which is further extended to March 20, 2024	129 Days	200.80

Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated February 27, 2024.

**Our Statutory Auditors by way of their certificate dated February 27, 2024, have confirmed that the above specified amount has been utilized for the purposes availed.*

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 [●] 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, we confirm that the amount for general corporate purposes, as mentioned in the Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

Public Issue Expenses

The total estimated Issue Expenses are ₹ [●], 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	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Brokerage and selling commission	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]

Activity	**(₹ in Lakh)**	**As a % of Estimates Issue Expenses**	**As a % of Issue Size**
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to StatutoryAuditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses)	[●]	[●]	[●]
Total	[●]	[●]	[●]

(1) Amounts will be finalised 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 NSE.*

(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 HDFC Bank Limited	*₹ 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 NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and/or 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:

(₹ In Lakhs)

S. No.	Particulars	F.Y. 2023-24	F.Y. 2024-25
1.	Funding the Capital Expenditure requirements of our company towards setting up of a new manufacturing unit at Ghaziabad.	1350.00	1541.25
2.	Repayment of the outstanding amount of the Letter of Credit availed by our company for purchase of machinery.	200.80	-
3.	General Corporate Purpose	[●]	[●]
	Total	[●]	[●]

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

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 Issue 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 Promoters 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 Promoters, our Directors and our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds.

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 22, 92 and 136 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.

For the purpose of making an informed investment decision, the investors should also refer ***"Risk Factors"***, ***"Our Business"*** and ***"Financial Statement as restated"*** beginning on page 22, 92 and 136 respectively of this Red Herring Prospectus.

QUALITATIVE FACTORS

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

a) Diversified product range appealing to a wide range of customers;
b) Quality Assurance ensuring standardized quality of our products;
c) Diversified revenue from multiple geographies;
d) Experienced Promoter with senior management, backed by sales team having industry knowledge

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 136 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, 2023	7.61	3
2.	Financial Year ending March 31, 2022	3.23	2
3.	Financial Year ending March 31, 2021	0.28	1
	Weighted Average	**4.93**	**6**
	For the Period Ended November 30, 2023	6.41	

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 period ending March 31, 2023	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Note:

i) The P/E ratio of our Company has been computed by dividing Issue Price with EPS.

3. Return on Net worth (RoNW)

Sr. No	Period	RONW (%)	Weights
1	Period ending March 31, 2023	67.86%	3
2	Period ending March 31, 2022	89.70%	2
3	Period ending March 31, 2021	74.14%	1
	Weighted Average	**76.19%**	**6**
	For the period ending November 30, 2023	36.39%	

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	(Amount in ₹)
1.	As at March 31, 2021	0.37
2.	As at March 31, 2022	3.60
3.	As at March 31, 2023	11.21
4.	As at November 30, 2023	17.63
5.	NAV per Equity Share after the Issue	
	i) At Floor Price	[●]
	ii) At Cap Price	[●]
6.	Issue Price	[●]

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 total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares)

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

There are no listed companies in India that are engaged in the business line similar to that of our company, thus it is not possible to provide an industry comparison in relation to our company.

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 in the Board Meeting dated February 19, 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 R K Jagetiya & Co., Chartered Accountants, by their certificate dated February 19, 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 172, 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	As of and for the year/period ended			
	November 30, 2023*	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations[(1)]	6,275.28	8,096.63	4,451.59	604.19
EBITDA[(2)]	948.35	1,196.15	535.79	40.40
EBITDA Margin (%)[(3)]	15.11%	14.77%	12.04%	6.69%
PAT[(4)]	647.82	768.36	326.47	27.81
PAT Margin (%)[(5)]	10.32%	9.49%	7.33%	4.60%
RoE(%)[(6)]	44.49%	102.70%	162.63%	117.81%
RoCE (%)[(7)]	46.61%	80.20%	77.56%	81.47%

** Not Annualised*

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 - Other Income
[(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)] 'PAT Margin' is calculated as PAT for the 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 which is defined as

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	ISO 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:

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with our Company

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 a bonus issue on September 13, 2023, 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 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 30 days.

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 and transmission 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.

c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions *(secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction)*, not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity shares allotteed	Issue Price per equity shares (₹)	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
September 13, 2023	1,00,00,000	Nil	Bonus Issue	Other than Cash	Nil

Secondary Transactions:

The details of the last five secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus, are as follows:

Date of Transfer	Name of Transferor	Name of Transferee	No. of Equity Shares	Price per Equity shares	Nature of Transaction	Total Consideration
September 20, 2023	Vasu Naren	Shweta Baisla	3,00,000	Nil	Transfer by way of Gift	Nil
	Shweta Baisla	Abhishek Kumar Maddheshiya	1	50.00	Transfer	50.00
		Abhishek Rai	1	50.00	Transfer	50.00
		Rajeev Chauhan	1	50.00	Transfer	50.00
		Ankit Aggarwal	1	50.00	Transfer	50.00

Weighted average cost of acquisition & Issue 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.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale/ acquisition as per paragraph 8(b) above.	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	0.00	**[●]** times	**[●]** times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, 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 Delhi edition of regional newspaper Pratah Kiran where the registered office of the company is situated each with wide circulation.

The Issue Price of ₹ [●] will 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 abovementioned information along *with* ***"Our Business", "Risk Factors"*** and ***"Restated Financial Statements"*** on pages 92, 22 and 136 respectively of this Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in ***"Risk Factors"*** 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,
Sona Machinery Limited
701 7th floor KLJ tower
Plot No. B-5 Netaji Subhash Place,
Maurya Enclave, North West Delhi,
Delhi, India, 110034

Dear Sirs,

Sub: Statement of Tax Benefits ('The Statement') available to Sona Machinery Limited ("The Company") and its shareholders under the Direct and Indirect Tax Laws in India

We hereby report that the enclosed annexure prepared by the management of **Sona Machinery 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 Red Herring Prospectus/ Red Herring Prospectus/Prospectus 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.

For M/s R K Jagetiya & Co.
Chartered Accountants
Firm Registration No: 146264W

Sd/-
Ravi Kant Jagetiya
Proprietor
M. No. 134691
Date: November 28, 2023
Place: Mumbai
UDIN: 23134691BGWLVB3939

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:

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

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 for the Financial Year 2020-21 and onwards.

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.

For M/s R K Jagetiya & Co.
Chartered Accountants
Firm Registration No: 146264W

Sd/-
Ravi Kant Jagetiya
Proprietor
M. No. 134691
Date: November 28, 2023
Place: Mumbai
UDIN: 23134691BGWLVB3939

SECTION V- ABOUT THE COMPANY

INDUSTRY OVERVIEW

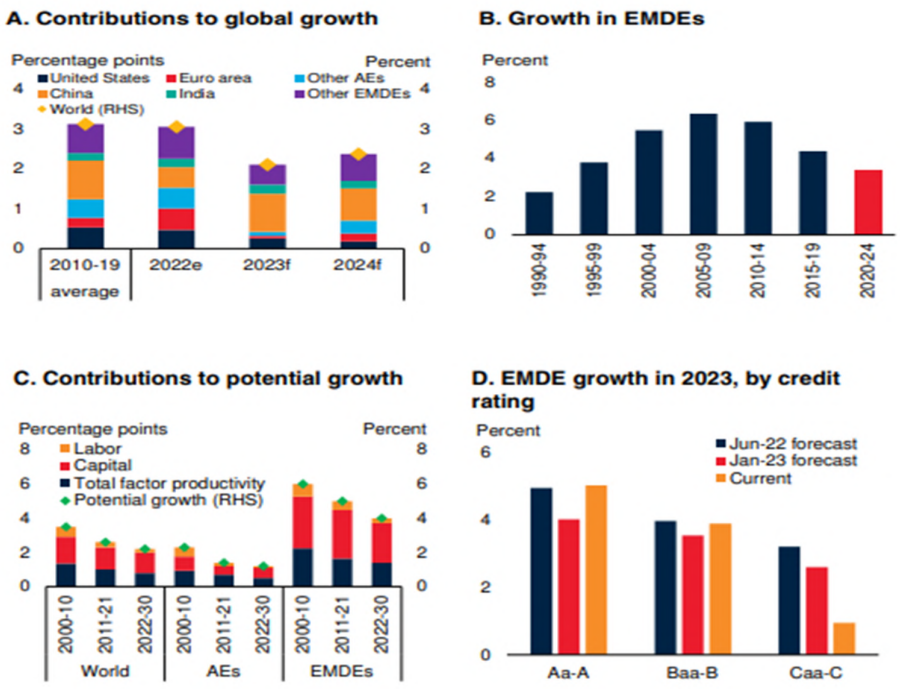
The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the 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.

GLOBAL ECONOMIC OVERVIEW

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023 as a whole, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China (figure 1.1.A). Inflation pressures persist, and the drag on growth from the ongoing monetary tightening to restore price stability is expected to peak in 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year. This slowdown will compound a period of already-subdued growth—over the first half of the 2020s (2020-2024), growth in EMDEs is expected to average just 3.4 percent, one of the weakest half-decades of the past 30 years (figure 1.1.B). This slowdown reflects both cyclical dynamics and the current trend of declining global potential output growth (figure 1.1.C).

Global financial conditions have tightened as a result of policy rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response. Financial markets remain highly sensitive to evolving expectations about the future path of interest rates of major central banks. Spillovers from banking turmoil in advanced economies to EMDEs have so far been limited. However, countries with more pronounced macroeconomic policy vulnerabilities, as reflected by lower credit ratings, have experienced slower growth and greater financial stress, including large currency depreciations and a sharp widening of sovereign spreads. Projections for 2023 growth in these economies have fallen by more than half over the past year (figure 1.1.D).

FIGURE 1.1



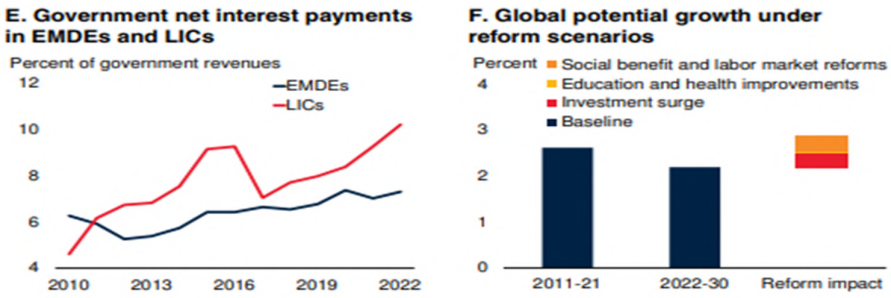
Inflation pressures persist. Although global headline inflation has been decelerating as a result of base effects, abating supply chain pressures, and falling commodity prices, core inflation in many countries remains elevated, and inflation is above target in almost all inflation-targeting economies. Inflation is expected to continue to be above its pre-pandemic level beyond 2024 (figure 1.1.E). That said, inflation expectations in most inflation targeting countries have so far not undergone a major shift and appear to remain anchored.

Energy prices have eased considerably since their peak in 2022 on account of weaker global growth prospects and a warmer-than-expected Northern winter, which reduced natural gas and electricity consumption. Metal prices increased in early 2023, reflecting signs of a stronger-than anticipated recovery in China, but subsequently retraced those gains. Agricultural prices have been easing on the back of good production prospects for most crops.

In all, global growth is forecast to slow from 3.1 percent in 2022 to 2.1 percent in 2023, before edging up to 2.4 percent in 2024. Relative to the January projections, this is 0.4 percentage point stronger in 2023 and 0.3 percentage point weaker in 2024. Greater-than-expected resilience of major economies at the end of 2022 and early in 2023 led to the overall upgrade to growth in 2023.

However, the drag on activity from tighter monetary policy is increasingly apparent, particularly in more interest-rate-sensitive activities such as business and residential investment, including construction. Growth over the rest of 2023 is set to slow substantially as it is weighed down by the lagged and ongoing effects of monetary tightening, and more restrictive credit conditions. These factors are envisaged to continue to affect activity heading into next year, leaving global growth below previous projections. Notwithstanding a continued recovery in tourism, global trade growth is likewise expected to slow in view of the ongoing rotation of consumption toward services, which tend to be less trade-intensive. Fiscal policy is expected to have little net impact on global growth over the forecast horizon, with modest tightening in EMDEs generally offsetting support in advanced economies.

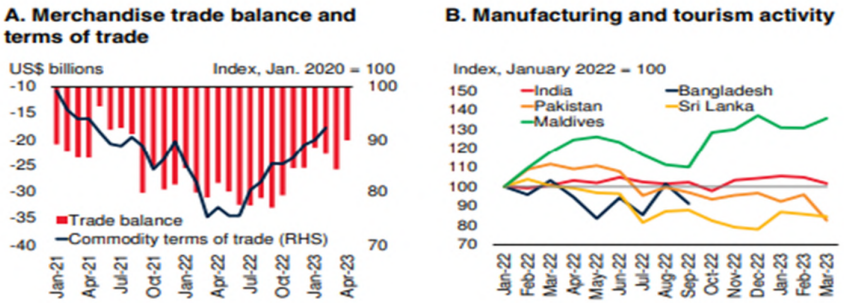
Growth in advanced economies is set to decelerate substantially for 2023 as a whole, to 0.7 percent, and to remain feeble in 2024, due to monetary tightening, less favorable credit conditions, softening labor markets, and still-high energy prices. In EMDEs, aggregate growth is projected to edge up to 4 percent in 2023, almost entirely due to a rebound in China following the removal of strict pandemic-related mobility restrictions. Excluding China, growth in EMDEs is set to slow substantially to 2.9 percent this year. This projection is predicated on the assumption of a protracted period of tight global monetary policy, fiscal consolidation in most EMDEs, and weak external demand. The slowdown is expected to be even more severe for EMDEs with elevated fiscal vulnerabilities and external financing needs. Persistent weak growth means that, excluding China, EMDEs are expected to continue making next to no progress at closing the differential in per capita incomes relative to advanced economies (figure 1.1.F). By 2024, economic activity in EMDEs will still be about 5 percent below levels projected on the eve of the pandemic.



In 2022, South Asia (SAR) endured significant negative spillovers from rapid monetary policy tightening in advanced economies, weak growth in China, and the Russian Federation's invasion of Ukraine. The peak impact of these shocks appears to have passed, and regional economic conditions have improved so far in 2023, however, the economic and financial consequence of these shocks persist. Terms of trade have become more favorable since the second half of 2022, and large trade deficits caused by high import commodity prices have partially receded (figure 2.5.1.A). Maldives, the region's fastest-growing economy in 2022, benefited from sustained high levels of tourists from Europe, India, and Russia, and returning tourism from China since early this year (figure 2.5.1.B). Import restrictions imposed by several economies (Bangladesh, Nepal, Pakistan, Sri Lanka), which adversely affected economic activity, have been relaxed as external imbalances have improved and exchange rate pressures have eased. Food export bans, however, are expected to remain in place in Bangladesh, India, and Pakistan through 2023 despite falling global prices.

In India, which accounts for three-quarters of output in the region, growth in early 2023 remained below what it achieved in the decade before the pandemic as higher prices and rising borrowing costs weighed on private consumption. However, manufacturing rebounded into 2023 after contracting in the second half of 2022, and investment growth remained buoyant as the government ramped up capital expenditure. Private investment was also likely boosted by increasing corporate profits. Unemployment declined to 6.8 percent in the first quarter of 2023, the lowest since the onset of the COVID-19 pandemic, and labor force participation increased. India's headline consumer price inflation has returned to within the central bank's 2-6 percent tolerance band.

FIGURE 2.5.1



(Source: [https://openknowledge.worldbank.org/server/api/core/bitstreams/6e892b75-2594-4901-a036-46d0dec1e753/content)](https://openknowledge.worldbank.org/server/api/core/bitstreams/6e892b75-2594-4901-a036-46d0dec1e753/content)

INDIAN ECONOMIC 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. Real GDP at constant prices (2011-12) in the first quarter of 2023–24 is estimated at ₹ 40.37 trillion (US$ 484.94 billion), showing a growth of 7.8% as compared to the first quarter of 2022-23 estimated at ₹ 37.44 trillion (US$ 449.74 billion). Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In 2023-24 (April-September), India's service exports stood at US$ 164.89 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-September) were estimated at US$ 376.29 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 rationalization 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, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. 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.

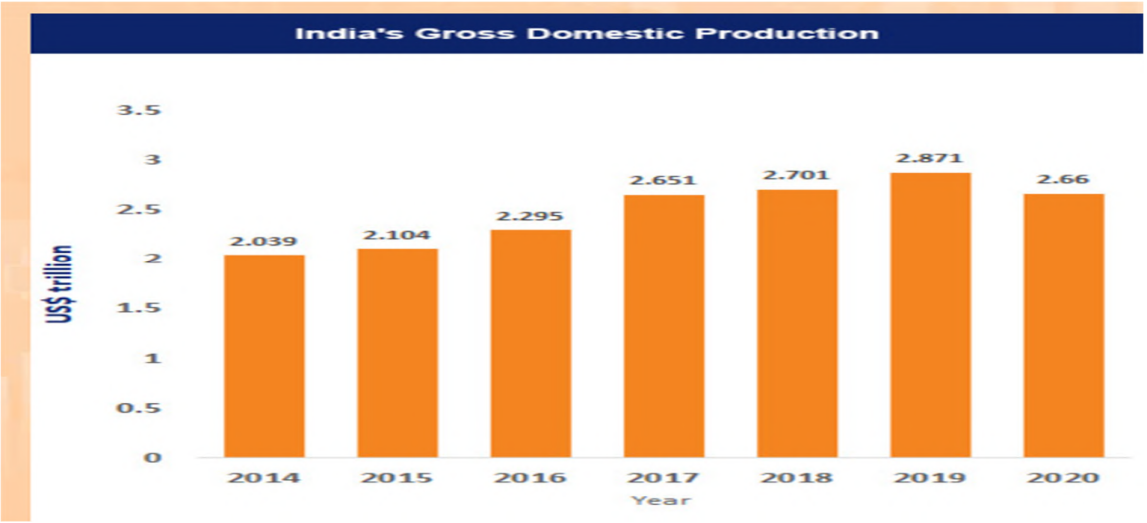
MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 301.75 trillion (US$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was ₹ 70.67 trillion (US$ 848.92 billion), as against ₹ 65.42 trillion (US$ 785.85 billion) in 2022-23, estimating a growth of 8%. With 115 unicorns valued at more than US$ 350 billion, as of February 2023, 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. India's current account deficit (CAD) decreases to US$ 9.2 billion in Q1 of 2023-24 from US$ 17.9 billion in Q1 of 2022–2023.

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 Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.

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



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 ₹10 lakh crore (US$ 120.12 billion) over ₹ 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.

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)

MANUFACTURING SECTOR IN INDIA

Manufacturing is emerging as an integral pillar in the country’s economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India’s GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.
Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India has the capacity to export goods worth US$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub.

With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

India is planning to offer incentives of up to ₹ 18,000 crores (US$ 2.2 billion) to spur local manufacturing in six new sectors including chemicals, shipping containers, and inputs for vaccines.

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

MARKET SIZE

Manufacturing exports have registered highest ever annual exports of US$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US$ 422 billion. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%.

India's gross value added (GVA) at current prices was estimated at US$ 626.5 billion as per the quarterly estimates of the first quarter of FY22.

India has potential to become a global manufacturing hub and by 2030, it can add more than US$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US$ 7 billion in 2021 to US$ 15 billion in 2025. As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.

The manufacturing GVA at current prices was estimated at US$ 110.48 billion in the first quarter of FY24.



INVESTMENT

Some of the major investments and developments in this sector in the recent past are:

1. According to Department for Promotion of Industry and Internal Trade (DPIIT), India received a total foreign direct investment (FDI) inflow of US$ 48.03 billion in FY23.
2. Between April 2000-June 2023:
   - The automobile sector received FDI inflows of US$ 35.14 billion.
   - The chemical manufacturing sector (excluding fertilisers) received FDI inflows worth US$ 21.48 billion.
   - The drug and pharmaceutical manufacturing sector received FDI inflows worth US$ 21.55 billion.
   - The Food Processing Industries received FDI inflows worth US$ 12.15 billion.
3. India's manufacturing sector activity continued to expand in August 2023, with the S&P Global Purchasing Managers' Index (PMI) rising to a three-month high of 58.6.
4. During the financial year 2022-23, around 1.39 crore net members were added by EPFO with an increase of 13.22% compared to the previous financial year 2021-22 wherein EPFO had added approximately 1.22 crore net members.
5. In FY23, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.6.
6. The Index of Industrial (Production IIP) from April-July 2023 stood at 142.8.
7. Capacity utilisation at manufacturing facilities was at a robust 74.3% in Q3 of FY23, up from 74% in Q2. Utilisation has held above the 72% mark since Q3 of FY22, indicating that the manufacturing activity is taking place at a brisk pace.
8. In FY23, the export of the top 6 major commodities (Engineering goods, Petroleum products, Gems and Jewellery, Organic and Inorganic chemicals, and Drugs and Pharmaceuticals) stood at US$ 295.21 billion.
9. In FY23 (until February 2023), EPFO added 131 lakh net subscribers. The Employees' Provident Fund Organisation (EPFO) added 1,396,185 in February 2023.
10. In October 2021, information technology major Zoho, announced that it will invest ₹ 50–100 crore (US$ 6.7-13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.
11. In August 2021, Wistron Corp. collaborated with India's Optiemus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.
12. In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon.
13. Samsung Display Noida, which has invested ₹4,825 crore (US$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.
14. In April 2021, Bharti Enterprises Ltd. and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.

GOVERNMENT INITIATIVES

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

1. In the Union Budget 2023-24:
   a. Start-ups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023 to March 31, 2024. In addition, the period within which losses of start-ups may be carried forward has been extended from seven to ten years.
   b. As per the Union Budget 2023 – 24, the income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
   c. The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from ₹ 2 crores (US$ 2,43,044) to ₹ 3 crores (US$ 3,64,528). The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from ₹ 50 lakhs (US$ 60,754) to ₹ 75 lakhs (US$ 91,132).
   d. Expenditure on fertilizer subsidy is estimated at ₹ 1,75,100 crores (US$ 21.2 billion) in 2023-24. This is a decrease of ₹ 50,120 crores (US$ 6.09 billion) (22.3%) from the revised estimate of 2022-23. Fertilizer subsidy for 2022-23 was increased substantially in response to a sharp increase in international prices of raw materials used in the manufacturing of fertilizers.
   e. The Centre will facilitate one crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
   f. To avoid cascading of taxes on blended compressed natural gas, excise duty on GST-paid compressed bio-gas contained in it has been exempted from excise duty. Customs duty exemption has been extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.
   g. To further deepen domestic value addition in manufacture of mobile phones, the finance minister announced relief in customs duty on import of certain parts and inputs like camera lens. The concessional duty on lithium-ion cells for batteries will continue for another year. Basic customs duty on parts of open cells of TV panels has been reduced to 2.5%. The Budget also proposes changes in the basic customs duty to rectify inversion of duty structure and encourage manufacturing of electrical kitchen chimneys.

   h. Basic customs duty on seeds used in the manufacture of Lab Grown Diamonds has also been reduced.
2. Ministry of Defence has set a target of achieving a turnover of US$ 25 million in aerospace and defence Manufacturing by 2025, which includes US$ 5 billion exports. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.
3. A new category of capital procurement 'Buy {Indian-IDDM (Indigenously Designed, Developed and Manufactured)}' has been introduced in Defence Procurement Procedure (DPP)-2016.
4. By 2030, the Indian government expects the electronics manufacturing sector to be worth US$ 300 billion.
5. Initiatives like Make in India, Digital India and Startup India have given the much needed thrust to the Electronics System Design and Manufacturing (ESDM) sector in India.
6. Moreover, the government's endeavours such as Modified Special Incentive Scheme (M-SIPS), Electronics Manufacturing Clusters, Electronics Development Fund and National Policy on Electronics 2019 (NPE 2019) have been a huge success.
7. The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) has been notified with an aim to strengthen the value chain for the manufacturing of electronic products in India.
8. In the Union Budget 2022-23:
   a. Ministry of Defence has been allocated ₹ 525,166 crores (US$ 67.66 billion)
   b. The government allocated ₹ 2,403 crores (US$ 315 million) for Promotion of Electronics and IT Hardware Manufacturing.
9. The PLI for semiconductor manufacturing is set at ₹ 760 billion (US$ 9.71 billion), with the goal of making India one of the world's major producers of this crucial component.
10. The government approved a PLI scheme for 16 plants for key starting materials (KSMs)/drug intermediates and active pharmaceutical ingredients (APIs). The establishment of these 16 plants would result in a total investment of ₹ 348.70 crore (US$ 47.01 million) and generation of ~3,042 jobs. The commercial development of these plants is expected to begin by April 2023.
11. In September 2022, the National Logistics Policy was launched by Prime Minister Mr. Narendra Modi which ensures quick last mile delivery, end transport-related challenges.
12. In November 2021, the Experts' Advisory Committee (EAC) of the Department for Promotion of Industry and Internal Trade approved ₹ 3 crores (US$ 403,293.54) for the Atal Incubation Centre (AIC), Pondicherry Engineering College Foundation (PECF), under the Start-up India Seed Fund scheme.
13. In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of ₹ 10,683 crores (US$ 1.45 billion).
14. India outlines a plan in August 2021 to reach its goal of US$ 1 trillion in manufactured goods exports.
15. In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.
16. To propagate Make in India, in July 2021, the Defence Ministry issued a tender of ₹ 50,000 crores (US$ 6.7 billion) for building six conventional submarines under Project-75 India.
17. In May 2021, the government approved a PLI scheme worth ₹ 18,000 crores (US$ 2.47 billion) for production of advanced chemical cell (ACC) batteries; this is expected to attract investments worth ₹ 45,000 crores (US$ 6.18 billion) in the country, and further boost capacity in core component technology and make India a clean energy global hub.
18. In India, the market for grain-oriented electrical steel sheet manufacturing is witnessing high demand from power transformer producers, due to the rising demand for electric power and increasing adoption of renewable energy in the country.
19. The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.
20. The government proposed to make significant investments in the construction of modern fishing harbours and fish landing centres, covering five major fishing harbours in Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat, along with a multipurpose Seaweed Park in Tamil Nadu. These initiatives are expected to improve exports from the textiles and marine sectors.
21. The 'Operation Green' scheme of the Ministry of the Food Processing Industry, which was limited to onions, potatoes and tomatoes, has been expanded to 22 perishable products to encourage exports from the agricultural sector. This will facilitate infrastructure projects for horticulture products.

ROAD AHEAD

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US$ 3.4 trillion along with a population of 1.48 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US$ 100 billion by 2025 through policy interventions.

One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the

manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

(Source: https://www.ibef.org/industry/manufacturing-sector-india)

ETHANOL BLENDED PETROL (EBP) PROGRAMME

1. Government has been implementing Ethanol Blended Petrol (EBP) Programme throughout the country except Union Territories of Andaman Nicobar and Lakshadweep islands, wherein OMCs sell petrol blended with 10% ethanol.

2. To increase indigenous production of ethanol the Government since 2014 took multiple interventions like: -

- Re-introduction of administered price mechanism;
- Opening of alternate route for ethanol production;
- Amendment to Industries (Development & Regulation) Act, 1951 which legislates exclusive control of denatured ethanol by the Central Government for smooth movement of ethanol across the country;
- Reduction in Goods & Service Tax (GST) on ethanol meant for EBP Programme from 18% to 5%;
- Differential ethanol price based on raw material utilized for ethanol production;
- Extension of EBP Programme to whole of India except islands of Andaman Nicobar and Lakshadweep wef 01st April, 2019;
- Interest Subvention Scheme for enhancement and augmentation of the ethanol production capacity by Department of Food and Public Distribution (DFPD);
- Publication of Long Term Policy on ethanol procurement.

3. For the first time during ethanol supply year 2018-19, following raw materials apart from C heavy molasses were allowed for ethanol production viz. B heavy molasses, sugarcane juice, sugar, sugar syrup, damaged food grains like wheat and rice unfit for human consumption. Also, different ex-mill price of ethanol, based on raw material used for ethanol production, was fixed by the Government in case of sugarcane juice/sugar/sugar syrup, B heavy molasses and C heavy molasses.

4. The aforesaid actions helped in increasing ethanol procurement by PSU OMCs from 38 crore litres during Ethanol Supply Year (ESY) 2013-14 (December, 2013 to November, 2014) to 188.6 crore litres during 2018-19 (December, 2018 to November, 2019) thereby achieving average blend percentage of 5.00% in ESY 2018-19.

5. Under the EBP Programme, the target for ongoing ESY 2019-20 (December, 2019 to November, 2020) is 7% which has to be progressively increased to 10% by ESY 2021-22.

6. Major reasons cited for lower offers/supplies during ongoing ESY 2019-20 is due to low production of Sugarcane crop in Maharashtra & Karnataka, production not started by new distilleries who had participated in the tender etc.

7. With a view to achieve 10% ethanol blending in petrol by 2021-22 and 20% by 2030, constraint in available ethanol distillation capacity was identified as one of the actionable point. In order to address the ethanol distillation capacity constraint, Department of Food and Public Distribution (DFPD) notified a Scheme on 19th July, 2018 for extending financial Assistance to sugar mills for enhancement and augmentation of the ethanol production capacity.

8. MoP&NG has also issued a 'Long Term Ethanol Procurement Policy' under EBP Programme on 11.10.2019.

(Source: https://mopng.gov.in/en/refining/ethanol-blended-petrol)

INDIAN AGRICULTURAL SECTOR

According to Inc42, the Indian agricultural sector is predicted to increase to US$ 24 billion by 2025. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. India's agricultural and processed food products exports stood at US$ 43.37 billion in FY23 (April 2022-January 2023). As per third Advance Estimates for FY23 (Kharif only), total food grain production in the country is estimated at 330.5 million tonnes. As per the Second Advance Estimates of National Income, the share of GVA of agriculture and allied sectors in the total economy in 2022-23 was 18.3%, with a growth rate of 3.3%.

Rabi crop area has increased by 3.25%, from 697.98 lakh hectares in 2021-22 to 720.68 lakh hectares in 2022-23. This is a 22.71 lakh hectare, a 13.71% increase over the average sown area in 2021-22. In the current crop year (July 2022-June 2023), India's horticulture output is expected to have hit a record 350.87 million tonnes (MT), as production of fruits, vegetables, spices, and plantation crops surged dramatically.

In 2022-23, of the 141 million hectares of gross sown area in the country, nearly 73 million hectares, or 52%, had irrigation access.

The Agriculture and Allied industry sector has witnessed some major developments, investments and support from the Government in the recent past. Between April 2000-June 2023, FDI in agriculture services stood at US$ 4.75 billion.
According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted a Foreign Direct Investment (FDI) equity inflow of about US$ 12.15 billion between April 2000-June 2023. This accounts for 1.88% of total FDI inflows received across industries.

Rapid population expansion in India is the main factor driving the industry. The rising income levels in rural and urban areas, which have contributed to an increase in the demand for agricultural products across the nation, provide additional support for this. In accordance with this, the market is being stimulated by the growing adoption of cutting-edge techniques including blockchain, artificial intelligence (AI), geographic information systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications.

In terms of exports, the sector has seen good growth in the past year. India's agricultural and processed food products exports stood at US$ 53.12 billion in 2022-23.

INVESTMENT IN AGRICULTURAL SECTOR

Some major investments and developments in agriculture are as follows:

- Government has set up a special fund called the Food Processing Fund (FPF) of approximately US$ 265 million in the National Bank for Agriculture and Rural Development (NABARD) for extending affordable credit to designated food parks and food processing enterprises in the designated food parks.
- In June 2023, Mother Dairy invested US$ 48.33 million (₹ 400 crore) to set up a unit in Nagpur.
- The sector has also recorded a sharp increase in investments with a cumulative FDI inflow of US$ 2,708.72 million between April 2000-December 2022.
- In 2022, the Government of India is planning to launch Kisan Drones for crop assessment, digitization of land records, and spraying of insecticides and nutrients.
- India's agricultural and processed food products exports stood at US$ 9,598 million in FY23 (April-July 2022), up by 30% YoY.
- In October 2022, Prime Minister Mr. Narendra Modi inaugurated PM Kisan Samman Sammelan 2022 and released PM-KISAN Funds worth ₹ 16,000 crore (US$ 1.93 billion)
- In August 2022, a Special Food Processing Fund of ₹ 2,000 crore (US$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- Gross Value Added by the agriculture and allied sector was 18.8% in 2021-22 (until 31 January, 2022)
- Agriculture and allied activities recorded a growth rate of 3.9% in 2021-22 (until 31 January, 2022)
- Consumer spending in India will return to growth in 2022 post the pandemic-led contraction, expanding by as much as 7%.
- Private consumption expenditure (at constant prices) was estimated at ₹ 80.8 trillion (US$ 1.08 trillion) in FY22 against ₹ 75.6 trillion (US$ 1.01 trillion) in FY20.
- The organic food segment in India is expected to grow at a CAGR of 10% during 2015-¬25 and is estimated to reach ₹ 75,000 crore (US$ 9.1 billion) by 2025 from ₹ 2,700 crore (US$ 386.32 million) in 2015.
- The processed food market in India is expected to grow to ₹ 3,451,352.5 crore (US$ 470 billion) by 2025, from ₹ 1,931,288.7 crore (US$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.
- From 2017 to 2020, India received ~US$ 1 billion in agritech funding. With significant interest from investors, India ranks third in terms of agritech funding and the number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US$ 30-35 billion.
- Nestle India will invest ₹ 700 crore (US$ 85.16 million) in the construction of its ninth factory in Gujarat.
- The sector has recorded a sharp increase in investments with a cumulative FDI inflow of US$ 11.51 billion between April 2000-September 2022.
- The performance of the agriculture and allied sector has been buoyant over the past several years, much of which is on account of the measures taken by the government to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund.
- As per the economic survey 2022-23, ₹ 13,681 crore (US$ 1.6 billion) were sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund.
- Private investment in agriculture increases to 9.3% in 2020-21.

- Institutional Credit to the Agricultural Sector continued to grow to ₹ 18.6 lakh crore (US$ 226 billion) in 2021-22.
- Gross Value Added by the agriculture and allied sector was 18.8% in 2021-22 (until 31 January, 2022)
- Agriculture and allied activities recorded a growth rate of 3.9% in 2021-22 (until 31 January, 2022)
- Consumer spending in India will return to growth in 2022 post the pandemic-led contraction, expanding by as much as 7%.
- Private consumption expenditure (at constant prices) was estimated at ₹ 80.8 trillion (US$ 1.08 trillion) in FY22 against ₹ 75.6 trillion (US$ 1.01 trillion) in FY20.
- The organic food segment in India is expected to grow at a CAGR of 10% during 2015-¬25 and is estimated to reach ₹ 75,000 crore (US$ 9.1 billion) by 2025 from ₹ 2,700 crore (US$ 386.32 million) in 2015.
- The processed food market in India is expected to grow to ₹ 3,451,352.5 crore (US$ 470 billion) by 2025, from ₹ 1,931,288.7 crore (US$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.
- From 2017 to 2020, India received ~US$ 1 billion in agritech funding. With significant interest from investors, India ranks third in terms of agritech funding and the number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US$ 30-35 billion.
- Nestle India will invest ₹ 700 crore (US$ 85.16 million) in the construction of its ninth factory in Gujarat.
- The sector has recorded a sharp increase in investments with a cumulative FDI inflow of US$ 11.51 billion between April 2000-September 2022.
- The performance of the agriculture and allied sector has been buoyant over the past several years, much of which is on account of the measures taken by the government to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund.
- As per the economic survey 2022-23, ₹ 13,681 crore (US$ 1.6 billion) were sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund.
- Private investment in agriculture increases to 9.3% in 2020-21.
- Institutional Credit to the Agricultural Sector continued to grow to ₹ 18.6 lakh crore (US$ 226 billion) in 2021-22.

(Source: https://www.ibef.org/industry/agriculture-india)

INDIA'S FOOD PROCESSING SECTOR- INDUSTRY SCENARIO

India's food processing sector is one of the largest in the world and its output is expected to reach $535 Bn by 2025-26. The Food Processing sector in India has a quintessential role in linking Indian farmers to consumers in the domestic and international markets. The Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments across the value chain. The food processing industry has a share of 12.38% (at 3-digit of NIC classification) in the employment generated in all Registered Factory sector engaging approximately 1.93 Mn people. Unregistered food processing sector supports employment to 5.1 Mn workers as per the NSSO 73rd Round report. Major sectors constituting the food processing industry in India are grains, sugar, edible oils, beverages, and dairy products.

Under PMKSY, 41 Mega Food Parks, 376 Cold Chain projects, 79 Agro-Processing Clusters, 489 proposals under Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC), 61 Creation of Backward and Forward Linkages Projects, 52 Operation Green projects, 183 Food Testing Laboratories projects have been approved across the country.

The key sub-segments of the Food Processing industry in India are Fruits & Vegetables, Poultry & Meat processing, Fisheries, Food retail, dairy industry, etc.

FOOD PROCESSING - 'A SUNRISE SECTOR'

India's food ecosystem offers enormous investment opportunities with stimulating growth in the food retail sector encouraging economic policies, and attractive fiscal incentives. Through the Ministry of Food Processing Industries (MoFPI), Government of India is taking all necessary measures to boost investments in the food processing industry in India. Some of the initiatives include:

- Pradhan Mantri Kisan Sampada Yojana (PMKSY) aims at developing modern food processing infrastructure. PMKSY has been envisaged as a comprehensive package which will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet.
- Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme (PMFME) aims to enhance existing individual micro-enterprises in the unorganized segment of the food processing industry.
- Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) aims to boost domestic manufacturing, increase exports, while supporting food manufacturing entities with stipulated Sales and willing to make investment for

expansion of processing capacity and branding abroad to incentivize emergence of strong Indian brands. The scheme is EoI bases.

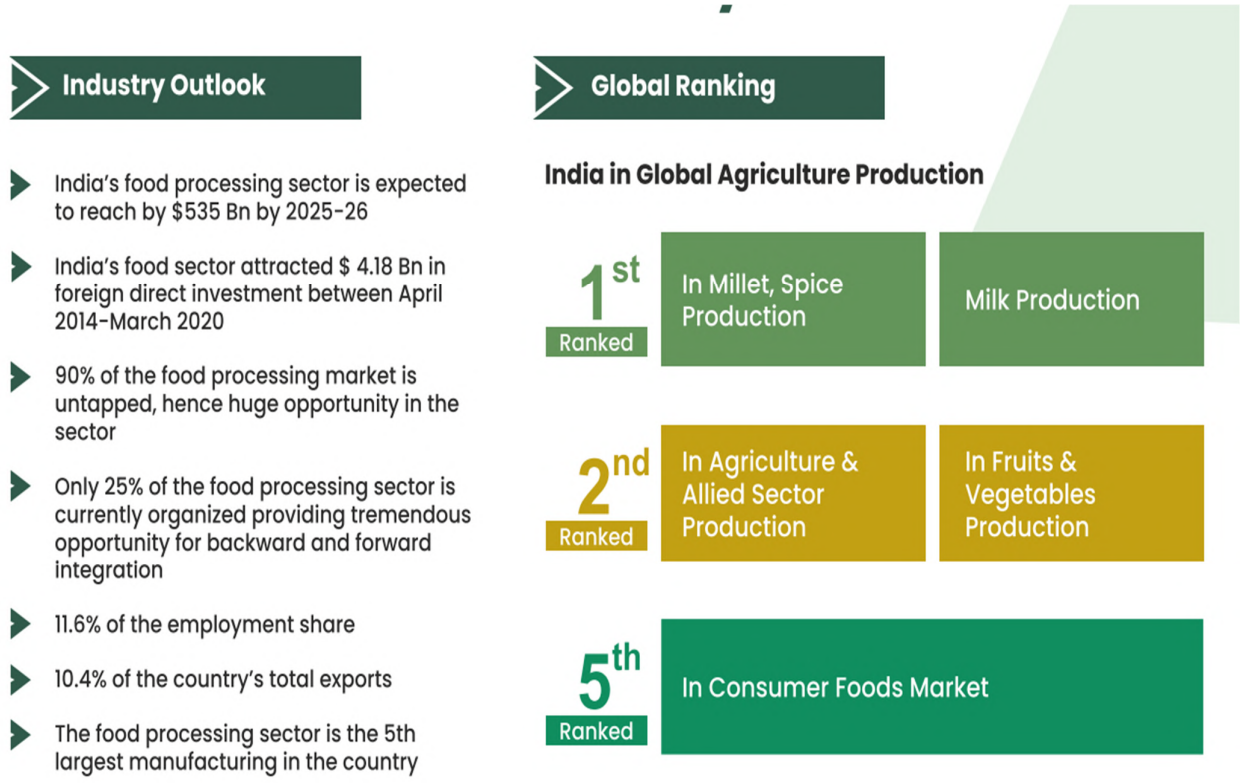
- The total FDI received in the food processing sector from April 2000 till June 2023 was 12.15 Bn which is 1.88% of the total FDI Equity inflow. The FDI equity inflow in the Food Processing Sector for FY 2023 was $ 0.896 Bn. The total FDI equity inflow in sector from April 2000 to September 2023 is $12.35 Bn.
- By 2025 the Indian Food Processing market is estimated to reach $535 Bn and growing at a compound annual growth rate of 15.2%. Tier-II and Tier-III cities could mirror the trend visible in metropolitan areas, by consuming more processed food in the coming years.
- India's consumer spending to grow to $6 Tn by 2030.
- India's export of agricultural and processed food products rose close to $51 Bn in 2022-23. Major exporting countries include USA, Bangladesh, UAE, Vietnam, among others.
- India has emerged as world leader in the production of a variety of fruits like mango, banana, guava, papaya, sapota, pomegranate, Lime & aonla and is the second largest producer of fruits and vegetables.
- In FY 2022-23, India exported 17.8 Mn Tonnes of non-basmati rice and 4.6 million tonnes of basmati rice.
- Government aims to make India the Global Hub for 'Shree Anna' (Millets)

Production Linked Incentive (PLI) Scheme

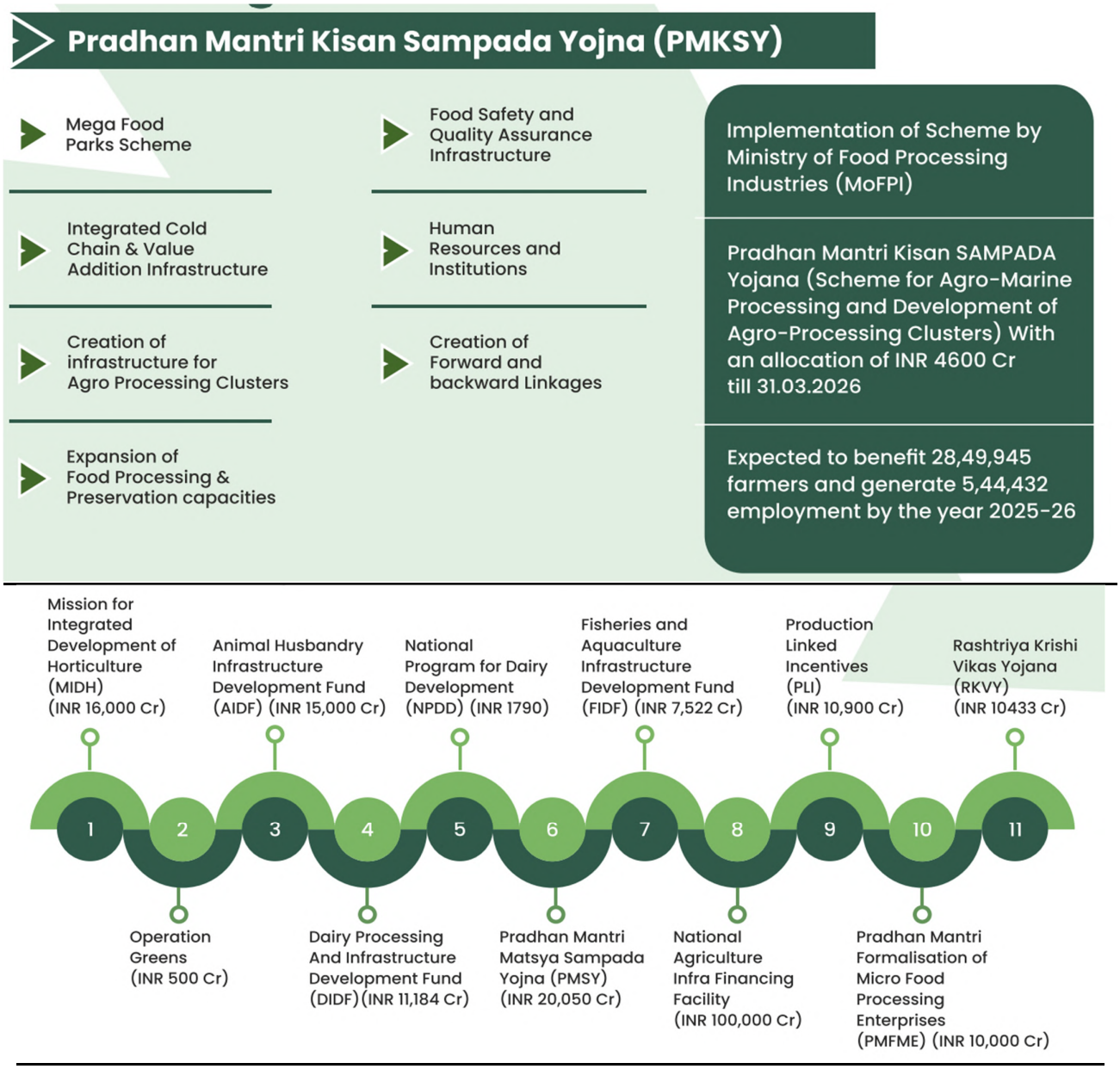
The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has given its approval to introduce the Production-Linked Incentive (PLI) Scheme in Food Products for Enhancing India's Manufacturing Capabilities and Enhancing Exports – Atmanirbhar Bharat. Under the PLI Scheme for Food Processing Industry, a total of 158 applications have been approved under different categories including 22 applicants (out of 30 selected applicants) selected to participate under PLI Scheme for Millet-based products are MSMEs. The implementation of PLI scheme is likely to facilitate expansion of food processing capacity by nearly INR 30,000 crore and create additional direct and indirect employment opportunities for about 2.5 lakh persons by the year 2026-27. As per the data being reported by the PLIS beneficiaries, investment of about INR 4900 Crores has been made under the Scheme.

(Source: https://www.investindia.gov.in/sector/food-processing)

OVERVIEW OF INDIAN INDUSTRY



GOVERNMENT OF INDIA SCHEMES FOR SUPPORTING AGRICULTURE, FOOD & DAIRY PROCESSING SECTOR



(Source: https://invest.mp.gov.in/wp-content/uploads/2023/01/Agriculture-Food-Dairy-Processing.pdf)

CONTRIBUTION OF FOOD PROCESSING SECTOR TO GDP

Over the years, agricultural production in India has consistently recorded higher output. India ranked first in pulses & milk, second in vegetable primary, fruit primary, wheat & rice and third in cereals, eggs, primary in World Agriculture in 2019. An abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted food processing sector positively. During the 5 years ending 2020-21, Food Processing sector has been growing at an average annual growth rate of around 8.38 per cent as compared to around 4.87 per cent in Agriculture & allied sector (at 2011-12 prices). Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. The sector constituted as much as 10.54 per cent and 11.57 per cent of GVA in Manufacturing and Agriculture sector respectively in 2020-21 (at 2011-12 prices).

PROMOTING INVESTMENT IN FOOD PROCESSING SECTOR:

The Ministry has been following a set of strategies to address the problem of food processing sector. Some of its key elements are as under:

1. Promoting cluster approach for intervention in the sector in view of the progressive reduction of farm size and preponderance of tiny processing units as well as the inability of individual entrepreneurs to sustain viable infrastructure facility at different stages in value chain.

2. Financial support and fiscal incentives for creation of common supply chain infrastructure viz. cold chain, dry storage, packaging, logistics, back and front-end infrastructure, expansion of processing capacities etc. to reduce cost of investment, enhance viability and ensure higher conformity to regulatory standards;

3. Introduction of measures to lower cost of capital for the projects and reduce cost of formal credit to make it affordable to both organized and unorganized sector;

4. Promoting processing clusters and creating strong backward and forward linkages from farm gate to retails outlet through various measures including setting up of Mega Food Parks/Processing Clusters with appropriate fiscal and financial incentives;

5. Promoting Institutes of National Importance (INI) to create pool of technical manpower and skilled workforce to meet the growing need of the sector;

6. Support creation and provision of services like R&D, testing, quality improvement, marketing and enhancing competitiveness of the sector through promotion of innovations in products and processes, environment friendly packaging etc.;

7. Creating adequate infrastructure for food testing and training manpower for food safety and promoting adoption of best practices in the industry in food production, processing, packaging, storage and transportation;

8. Support for market development, brand building and export promotion of food products;

9. Advocacy for promoting farmers Industry connect, removal of impediments in commodity movement, storage, retail policy, land policy, labour laws and smoothening access to formal credit etc.

(Source: https://www.mofpi.gov.in/sites/default/files/mofpi_annual_report_2023_eng_5-6-2023_new.pdf)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the "Company" or "we", "us" or "our" means Sona Machinery Limited.

All financial information included herein is based on our ***"Financial information of the Company"*** *included on page 136 of this Red Herring Prospectus.*

BUSINESS OVERVIEW

We are a diversified agro-processing equipment manufacturer, manufacturing equipments for the processing of rice, pulses, wheat, spices, Barnyard Millet etc. Our product portfolio includes Grains Pre-Cleaner machines, Rotary Drum Cleaner, Vibro Classifiers, Stone Separator Machines, Paddy De-Husker, Husk Aspirator, Rice Thick/Thin Grader, Rice Whitener, Silky Polisher, Multi Grader, Length Grader, Belt Conveyer, Bucket Elevator etc. along with the complete projects for rice mills and ethanol distilleries. Our services encompass engineering, erection, supervision, and machine commissioning, delivering a comprehensive end-to-end solution for the milling section which includes grain unloading and milling solution upto pre-masher for ethanol distilleries and paddy unloading to rice packaging for rice mill industries.

Our company started its operations in January, 2021 when it purchased the fixed assets and stock for a consideration of ₹ 465.17 lakhs from "M/s Sona Foods India", which is a proprietorship concern of Narender Kumar, father of our promoter, Vasu Naren. M/s Sona Foods India is a manufacturing concern which is manufacturing agro-processing equipment's since year 2003. Vasu Naren joined the family business i.e. M/s Sona Foods India in year 2015 and now he is looking after the overall business operations of the company.

The company's product portfolio comprises of various equipments including support services for all the equipments manufactured and supplied by the company. As on the date of this Red Herring Prospectus, we are manufacturing and supplying agro-processing equipments under various categories like cleaning, grading, blending, material handling etc. Currently, we have a manufacturing unit situated at Ghaziabad, Uttar-Pradesh with a total area of approx. 52,205 sq. ft. and a warehouse for storage of our material and finished goods. Our manufacturing facility is equipped with requisite infrastructure including machineries and other handling equipment to facilitate smooth manufacturing process.

Our products are spread across various parts of India and we have generated 98.87%, 96.88%, 97.61% and 97.85% of our total revenue from domestic sales for the period ending November 30, 2023 and fiscal year ending 2023, 2022 and 2021 respectively. Further, the company has also exported small portion of its products to the countries like Nigeria, Bangladesh, Kenya, Nepal etc. and generated around 1.13%, 3.12%, 2.39% and 2.15% of our total revenue from export sales for the period ending November 30, 2023 and fiscal year ending 2023, 2022 and 2021 respectively.

Our Company is managed by our Promoter, Vasu Naren who has over 08 years of experience in the milling equipment manufacturing industry and is looking after the overall business operations of the company including sales, marketing, design, quality etc. He is supported by our Chief Financial Officer and Whole Time Director, Shweta Baisla, who has approx. 2 years of experience in same industry and taking care of legal and financial aspects of the company. Their understanding of the consumer difficulty, intuitive entrepreneurship and involvement in key aspects of our business has helped accelerate and drive our profitable growth. We believe that the sector-specific experience and expertise of our promoter has contributed significantly in the growth of our Company.

The following table sets forth certain key performance indicators for the years indicated:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	As of and for the year/period ended			
	November 30, 2023*	**FY 2022-23**	**FY 2021-22**	**FY 2020-21**
Revenue from Operations[(1)]	6,275.28	8,096.63	4,451.59	604.19
EBITDA[(2)]	948.35	1,196.15	535.79	40.40
EBITDA Margin(%)[(3)]	15.11	14.77	12.04	6.69
PAT[(4)]	647.82	768.36	326.47	27.81
PAT Margin(%)[(5)]	10.32	9.49	7.33	4.60
RoE(%)[(6)]	44.49%	102.70%	162.63%	117.81%
RoCE (%)[(7)]	46.61%	80.20%	77.56%	81.47%

**Not Annualised*

Notes:
(1) Revenue from operation means revenue from sales and other operating revenues
(2) EBITDA is calculated as Profit before tax + Depreciation + 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 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' equity plus total borrowings {current & non-current}.

Awards and Accreditations

- ISO 9001:2015 for Quality Management Systems by Das System & Services Pvt Ltd
- Top 10 Industrial Service Provider 2022 by Industry Outlook
- Prestigious Brands Asia 2022 by Barc Asia
- Prestigious Brands Asia 2023 by Barc Asia

OUR STRENGTHS

We believe that the following are our primary strengths:

Diversified product range appealing to a wide range of customers

Our company has diverse product portfolio across various categories which includes equipments for material handling, cleaning, blending, grading etc. for processing of various grains. We deal in a wide range of products, which enables us to cater widespread customer base across India and also expand our reach in international locations. Over the period, we have expanded our focus from the manufacture of equipment exclusively for the facilitation of rice processing equipment, to take into consideration various other grains including pulses, maize and wheat. We believe that we have necessary resources, experience and network to launch additional products in future that can be customized and leveraged to cater to wider range of agro-processing equipments as per requirements of the customers.

Below is the summary of our Product-wise revenue:

(₹ In Lakhs except percentage)

Product Name	Period ended Nov 30, 2023	% to Total Sales	FY 2022-23	% to Total Sales	FY 2021-22	% to Total Sales	FY 2020-21*	% to Total Sales
Material Handling	1,876.44	29.9	2,925.08	36.13	1,391.78	31.26	133.31	22.00
Milling Machines	1,275.89	20.33	1,167.45	14.42	461.51	10.37	33.67	5.56
Cleaning Machine	1,192.96	19.01	1,615.99	19.96	1,026.96	23.07	156.24	25.78
Grading Machines	873.96	13.93	1,051.92	12.99	705.99	15.86	87.70	14.47
Aspiration Machine	395.35	6.3	461.47	5.7	206.35	4.64	22.66	3.74
Spares, Scrap and Others	312.41	4.98	408.09	5.04	325.69	7.32	171.07	28.23
Rice Blending	224.02	3.57	250.91	3.1	95.37	2.14	-	-
Accessories	59.28	0.94	206.79	2.55	220.52	4.95	1.35	0.22
Service & Installation	0.72	0.01	8.93	0.11	17.42	0.39	-	-
Sortex	64.25	1.02	-	-	-	-	-	-
Total	**6,275.28**	**100**	**8,096.63**	**100**	**4,451.59**	**100**	**606**	**100**

* *Including Freight*

Quality Assurance ensuring standardized quality of our products

We believe that quality is an ongoing process of building and sustaining long term relationships with customers and long-term brand loyalty. This philosophy has formed the foundation of the expansion and diversification of our product portfolio since our inception. We have obtained ISO 9001:2015 certification for Quality Management System from Das Systems & Services Pvt. Ltd. Also, the Bureau of Indian Standards (BIS) certified our Fortified Rice Blending equipment. These certifications provide assurance to our customers for the quality and durability of our products. We have been in the business of manufacturing and supplying agro-processing equipment and have successfully ventured and supplied quality products to our customers. Our Company is dedicated towards quality & for the same we have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material to inventory storage. Delivering Quality products on time is one of our prime objectives. Our focus on quality of products has enabled us to sustain and grow our business model to benefit our customers.

Diversified revenue from multiple geographies

Our Company has diversified revenue from multiple geographical locations across India and from places outside India including Nigeria, Bangladesh, Kenya, Nepal. etc. We have generated around 98.87%, 96.88%, 97.61% and 97.85% of our total revenue from domestic sales for the period ending November 30, 2023 and fiscal year ending 2023, 2022 and 2021 respectively and generated around 1.13%, 3.12%, 2.39% and 2.15% of our total revenue from export sales for the period ending November 30, 2023 and fiscal year ending 2023, 2022 and 2021 respectively. We believe that with our expanded geographical outreach across India, we have the ability to quickly respond to changing consumer preferences and constantly fluctuating demand. Our presence in multiple geographies not only helps us in expanding our client base but also helps us by keeping ourselves in tune with the latest technological advancements world-wide and help us to mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations.

Our revenue from top ten geographies in India is as follows:

(₹ In Lakhs except percentage)

Name of State	Period ended November 30, 2023	% to Total Sales	FY 2022-23	% to Total Sales	FY 2021- 22	% to Total Sales
Uttar Pradesh	1,949.31	31.06	1,801.01	22.24	1,055.55	23.71
Chhattisgarh	1,073.57	17.11	1,297.56	16.03	702.82	15.79
Bihar	724.96	11.55	508.05	6.27	236.59	5.31
Madhya Pradesh	627.39	10.00	978.69	12.09	316.50	7.11
Haryana	526.02	8.38	1,032.33	12.75	658.25	14.79
Telangana	411.64	6.56	748.47	9.24	303.70	6.82
Odisha	242.23	3.86	159.41	1.97	279.05	6.27
Punjab	198.99	3.17	36.90	0.46	3.30	0.07
Uttarakhand	136.86	2.18	401.04	4.95	68.81	1.55
Gujarat	79.17	1.26	4.94	0.06	113.18	2.54
Total Sales	**5,970.14**	**95.13**	**6,968.40**	**86.06**	**3,737.75**	**83.96**

Experienced Promoter with senior management, backed by sales team having industry knowledge

We have an experienced and dedicated team of Key Management Personnel, with significant experience in the milling industry. Our Promoter and Managing Director, Vasu Naren has an overall work experience of more than 08 years in milling equipment manufacturing industry and is looking after the overall business operations of the company including sales, marketing, design, quality etc. The industry specific experience of our Promoter is supplemented by our experienced and qualified management team. Our management possesses business intellect in Manufacturing and supplying of agro-processing equipment and we are well placed to capitalize their knowledge and experience which has been instrumental in the growth of our Company. Our team of Key Management Personnel are involved in our day to day management, growth objectives, and strategic initiatives. We believe that due to their understanding of industry trends, demands, and market changes, our Key Management Personnel have been able to scale our operating capabilities and take advantage of market opportunities over time.

Further, our sales network is aided by our capable in house sales and marketing team of 26 employees, which liaise with the customers on a regular basis for their inputs, market our Products as well as positioning of our products vis-à-vis products of our competitors. Also, we have a team of customer-grievance professionals' consisting of 25 employees who are exclusively taking care of after sales services which includes repair & maintenance services, replacement of damaged parts and responding other customer grievances timely in an efficient manner. Our initiatives have enabled our sales personnel to establish a strong relationship with our customers and improve our understanding of customer requirements.

OUR STRATEGIES

Expand our domestic and international presence.

For the Fiscal 2022, our revenue from operations were ₹ 4451.59 Lakhs of which approximately 97.61% of the revenue were from domestic markets and 2.39% were from international markets. Likewise, for the Fiscal 2023, our revenue from operations was ₹ 8096.63 Lakhs of which approximately 96.88% of the revenue were from domestic markets and 3.12% were from international markets.

Currently for the period ending November 30, 2023, our revenue from operations was ₹ 6,275.28 Lakhs of which 98.87% of the revenue is from domestic markets and 1.13% is from international markets. Currently, we sell our products to around 19 states & Union Territories in India of which majority portion of the revenue comes from the state of Uttar-Pradesh. For the period ending November 30, 2023, Uttar Pradesh contributed 31.06%, Chhattisgarh contributed 17.11%, Bihar contributed 11.55% and Madhya Pradesh contributed 10.00% of our total revenue from operations. The other 15 states and Union territories such as Haryana, Telangana, Odisha, Gujrat, Uttarakhand, Punjab etc. contributed below 30% of revenue from operations. We further seek to identify markets where we believe we can provide cost advantages to our clients and distinguish ourselves from other competitors. Going forward, we would like to continue to expand our domestic and international presence to enhance our visibility

Focus on increasing operational efficiencies.

Offering quality products at attractive prices is a key aspect of maintaining and expanding our relationships with our customers. In order to achieve the same, we intend to use a variety of lean manufacturing strategies that contribute to cost reduction, minimize wastage, streamline inventory turnover etc. We have adopted several initiatives designed to improve our cost efficiency such as strategic vendor partnerships for the procurement of raw materials, local sourcing to mitigate transportation costs, focus on engineering, reduce customer response time, an emphasis on increasing customer support through after-sales services etc. These endeavors, including the optimization of in-house processes, are fundamental to our commitment to delivering projects while upholding cost-effectiveness. We continue to invest in operational excellence throughout the organization without any compromise on the quality.

Setup of new integrated manufacturing facility

We are currently in process of setting up an additional manufacturing unit in Ghaziabad, Uttar Pradesh, in order to increase our manufacturing capabilities through manufacturing existing and new products like Hammer mill, pulverizer, Paddy Driers etc. The Proposed land on which the said unit is being constructed comprises of over 90,729 sq. ft. area. The total cost for setting up new manufacturing unit is estimated to be ₹ 3,041.25 Lakhs which includes, purchase of proposed land, civil construction to be carried out on said land and purchase of machineries to be installed. This cost is expected to be funded from the proceeds of IPO, for further details, see ***"Objects of the Issue"*** on page 64 of this Red Herring Prospectus. The plant & machinery at the facility under expansion is targeted to be more automated to reduce human intervention and thus decreasing the scope of human error. We believe that the entire activity will lead to higher efficiency and production output.

Scale up branding and promotional activities

Our wide spread presence and scale of operations allows us to increasingly focus on branding and promotional activities to enhance our visibility in agro-processing equipment industry. We seek to continue to enhance brand awareness and customer loyalty through our promotional and marketing efforts. Our business Promotion and Advertisement expenses has increased by 347.78% in F.Y 2022-23 to ₹ 76.48 lakhs as against ₹ 17.08 lakhs in F.Y 2021-22.

As a part of our marketing and promotional strategy, we employ various marketing techniques such as participation in National Level Events & Exhibitions like Mookambika Exhibitions & Events in Punjab & Bihar, ADAMAS Events Pvt. Ltd. in Maharashtra, Business Empire Exhibitions in West-Bengal, Uttarakhand Rice Millers Association etc. along with International Level Exhibitions like MXM Exhibitions, Dubai & Victam Corporation, Brazil. The exhibitions and fair gives us a platform to exhibit our products.



Mookambika Exhibitions & Events, Bihar



ADAMAS Events Pvt. Ltd., Maharashtra



MXM Exhibitions, Kenya



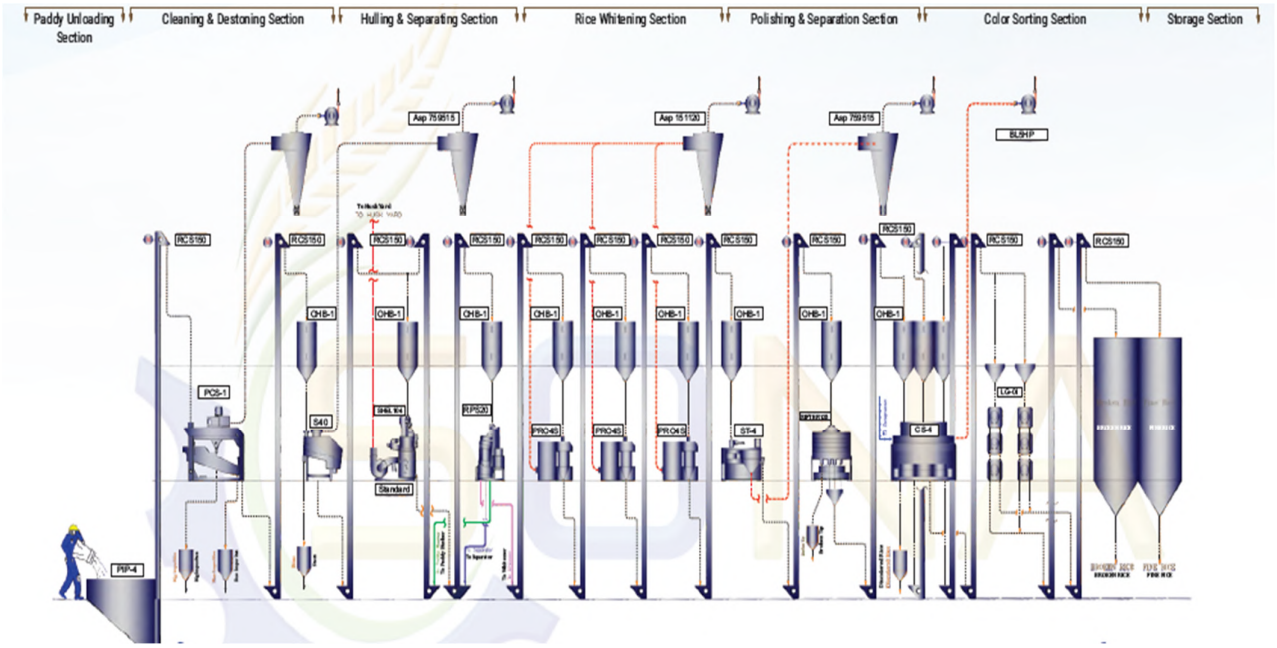
Victam Corporation, Brazil

OUR PRODUCTS PORTFOLIO

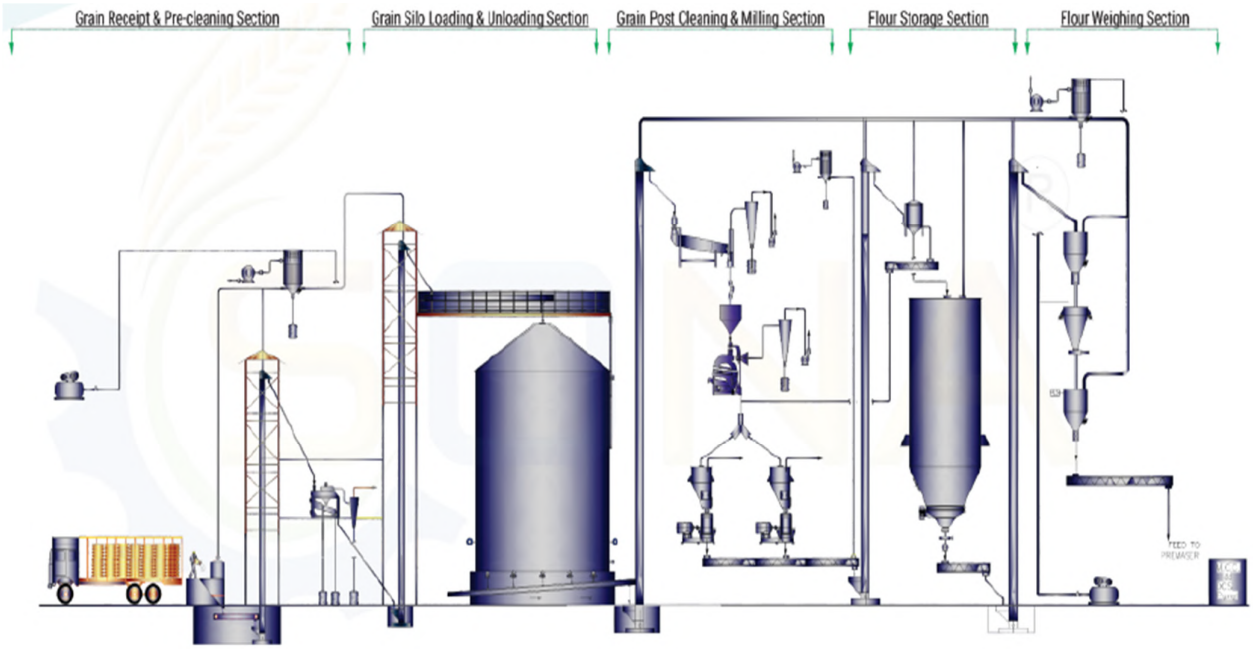
Our product portfolio comprises of agro-processing equipments, manufactured and supplied by our company, as follows:

- **Complete Project for Rice Mills and Ethanol Distilleries: -**

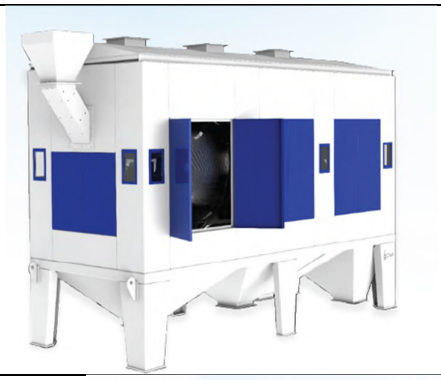
1. **Rice Mills**: We are manufacturing rice milling machines for processing of various types of Indian rice like aromatic basmati rice, non-basmati medium and short grains. We provide complete project for rice mills including services like engineering, erection, supervision, and commissioning. The Milling machinery can be customized as per the customer's requirements based on rice's variety, standard, and quality.

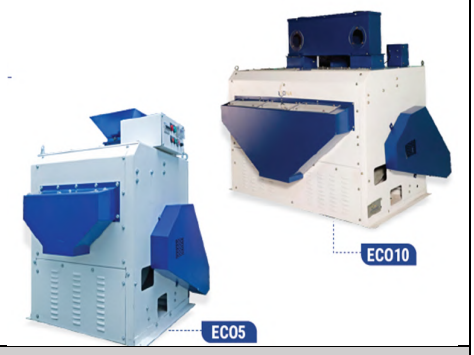
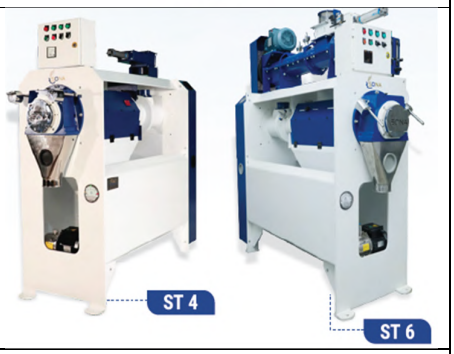


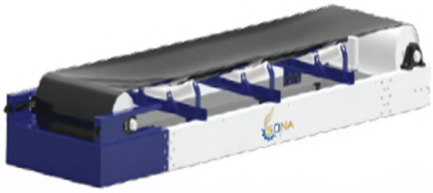
2. **Ethanol Distillery**: We offer project solutions for Ethanol Distillery Plants by providing a complete end-to-end solution for the milling section, from the unloading of the grain to pre-masher.

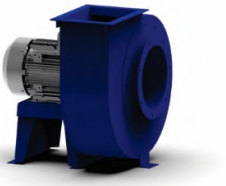


- **Support Machines for Rice Mills and Grain Based Distilleries':**

Sr. No.	Product Name	Product Description	Product Photo
1.	**Cleaning Machine**		
1.1	Grains Pre-Cleaner Machine	Pre-Cleaner is used in preliminary cleaning of the grain equipped with two inbuilt sieved decks and an inbuilt aspiration, designed to function to and fro motion to get the efficiency of the cleaning, further to use for parboiling & drying. The same is available in two models i.e., HC 60 & HC 70. This machine can be used on multiple grains, It's also sold in Ethanol Distilleries along with Rice Mills.	
1.2	Rotary Drum Cleaner	Drum Cleaner commonly known as the rotary cleaners are classified under the preliminary cleaning section of the grain, principally designed to rotate continuously to separate over & undersized foreign particles from grain This machine can be used on multiple grains, It's can be used in Ethanol Distilleries along with Rice Mills.	
1.3	Vibro Classifiers	Vibro Classifiers are the machines for cleaning, prior to the milling section, principally designed to operate on continuous vibration to segregate the paddy from fine foreign particles with the help of aspiration system. The same is available in three models i.e. VCS 10, VCS 12 and VCS 15. This machine can be used on multiple grains, It's also sold in Ethanol Distilleries along with Rice Mills.	
1.4	Stone Separator	Stone Separator is used to remove Stones from the grain that are of similar size of Grian and pass through the previous process of Cleaning. It Works on negative pressure and removes the stones from grain on density differences. The Same is available in 3 Different Models i.e PR5, PR10, PR15 This machine can be used on multiple grains, It's also sold in Ethanol Distilleries along with Rice Mills.	

Sr. No.	Product Name	Product Description	Product Photo
1.5	Rice Stone Separator (Eco Series)	ECO Series Stone separators work on positive aspiration technology. The rice is fed into the sieves, underneath which a fan is installed, which sends light Rice upwards and out from the top, whereas the heavy stones are left behind, which are thrown out from a different pass. The same is available in two models i.e. ECO 5 & ECO 10	
2.	**Milling Machine**		
2.1	Paddy De-Husker	Paddy De-Huskers are used to break open the paddy to obtain rice. Huskers are installed with 2 Rubber coated Rolls, which move together in the opposite direction, but with a speed difference. The paddy is fed using Vibro motors in a straight line in between these rubber rolls. These rubber rolls Crunch the paddy, which opens the paddy from the ends. There is an aspiration system installed, which clears out the husk and dust.	
2.2	Rice Whitener (Pro Series)	The rice whitener incorporates advanced techniques for whitening of brown rice. It uses the vertical abrasive grinding wheel top to bottom working principle. The rice is whitened very gently between grinding wheel & screen without distracting the original shape of rice kernel. The same is available in three models i.e. PRO 4S, 5S and 6S.	
2.3	Silky Polisher	The rice falls into the inlet and is conveyed through the feed screw. A uniform water film is applied to the product via the mixing tube using a nozzle. The rice is gently rubbed against itself by a rotating cam shaft, through which the surface is made shiny by polishing. The fully polished product leaves the machine through the outlet. The starch removed from the rice is collected through the aspiration system and thrown out.	
2.4	Paddy Separator	Paddy Separator is machine used to separate the Unhulled Paddy & Brown Rice that passes through the Paddy husker. Paddy is feeded into Screen deck that consist of 20 Screens that oscillation on Eccentric motion and according to the size, shape and density of Paddy is separated from the mixture by adjusting the speed of oscillation according to type of paddy. The machine is available in 3 model i.e. RPS20, RPS40, RPS60	

Sr. No.	Product Name	Product Description	Product Photo
3.	**Grading Machine**		
3.1	Rice Thick/Thin Grader	Rice is fed into the round sieves which continuously rotates. The small fraction rice which is under size passes through the screen & is discharged through the hopper & the remaining rice are delivered to the outlet for further processing. The same is available in two models i.e. Sizer 412 & Sizer 612	
3.2	Multi Grader	Multiple sieves are stacked upon each other, with bigger hole size at the top and then whole sizes gets smaller with hierarchy. The grain is fed from the top on to a continuously rotating machine, which in turn separate the broken rice as its diameter from whole rice. The same is available in two models i.e. SIFTER 125 and SIFTER 150	
3.3	Length Grader	This Machine is specially used to separate one or two kinds of broken rice from head rice by use of indented cylinder based on length of the input rice. The same is available in two models i.e. LG 01 and LG 03	
4	**Material Handling Machine**		
4.1	Belt Conveyer	A belt conveyor system consists of two or more pulleys, with a closed loop of carrying medium—the conveyor belt—that rotates about them, this is used to transport large volumes of resources & agricultural materials, such as grain, seeds, feed etc. The same is available in two models i.e. BC 450 and BC 600 This machine can be used on multiple grains; It's also sold in Ethanol Distilleries along with Rice Mills.	
4.2	Rice Mill Bucket Elevator	This machine works to move grains from one place to another. This machine is designed in such a way that its current discharges positively and the force acting on it is the centrifugal force, spaced buckets dig into the material at input & then throw the material out of the discharge. The same is available in different size and model that is selected based on usage, E.g., RCS150, BE300, GE8, Etc. This machine can be used on multiple grains, it's also sold in Ethanol Distilleries along with Rice Mills.	

Sr. No.	Product Name	Product Description	Product Photo
4.3	Chain Conveyor	Chain Conveyer is used to convey the Grain horizontally from one place to other, Works on Sprocket and chain system that works in an enclosed system, where Material is dragged through the scrappers that are fixed on Chain and equipped with liner plates that gives a long life to machine. The same is Available in different size and model that is selected based on usage, E.g. CC302, CC403, CC225 etc. This machine can be used on multiple grains; It's also sold in Ethanol Distilleries along with Rice Mills.	
5.	**Rice Blending Machine**		
5.1	FRK Blending Machine	Weighing, Mixing and Bagging can be achieved in Single Station. With the accurate weighing, RKB 30A Provides perfect blending with Stainless Steel Ribbon Blender that helps to provide a homogeneous mixture without damaging rice. This machine is manufactured as per approved standards of BIS that assures the quality of rice and homogeny of FRK mixed in this. It provides following features: • HMI Display to set the required blending percentage & mixing time. • Easy Calibration Process • Reports can be stored in USB.	
6	**Aspiration Machine**		
6.1	Cyclone	A cyclone system for pulses and grains efficiently separates impurities using cyclonic forces, ensuring the cleanliness and quality of the final product for agricultural and food processing applications. It ensures thorough removal of foreign particles, enhancing the overall quality of the product. This machine can be used on multiple grains, It's also sold in Ethanol Distilleries along with Rice Mills.	
6.2	Centrifugal Blower	Centrifugal Blowers are used with multiple equipment and at various stages according to the usage, Centrifugal blowers are used create negative pressure inside the machine that is mandatory for operation of machine and also used to collect Light particles with combination of Cyclone separator or Bag Filter. Many Model are available for this product that is selected and manufactured on basis of Usage Like , BL7, BL20, BL15, VB20 Etc.	
7	**0Colour Sortex**		
		Colour Sortex is used to separate discoloured rice from the mixture of rice, that is done with the usage of Advance and high Mega Pixel of cameras and electronics and latest softwares to control the efficiency. This machine is avilable in 8 model i.e G3, G5, G6,G7,G8,G10,G12,G14	

Sr. No.	Product Name	Product Description	Product Photo
8	**Hammer Mills**		
		Used to Grind the Grain to make its powder that can be used to create Rawa, Grind Different types of Rice, Prepare Feed of animal and most commonly used in india in ethanol distillery. Machines comes in 2 different capacity of 8 TPH and 12 TPH.	

DETAILS OF OUR BUSINESS:

LOCATIONS:

Currently we are operating from the following:

Registered Office	Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India
Corporate Office/ Manufacturing Unit	F-16 & C-1, Sector A-3, Tronica City, Loni, Ghaziabad – 201103, Uttar Pradesh, India
Warehouse	Industrial Unit Bearing Plot No. A-1, Sector A-3, Trans-Delhi Signature City, Loni, Ghaziabad – 201103, Uttar Pradesh, India

MANUFACTURING UNIT



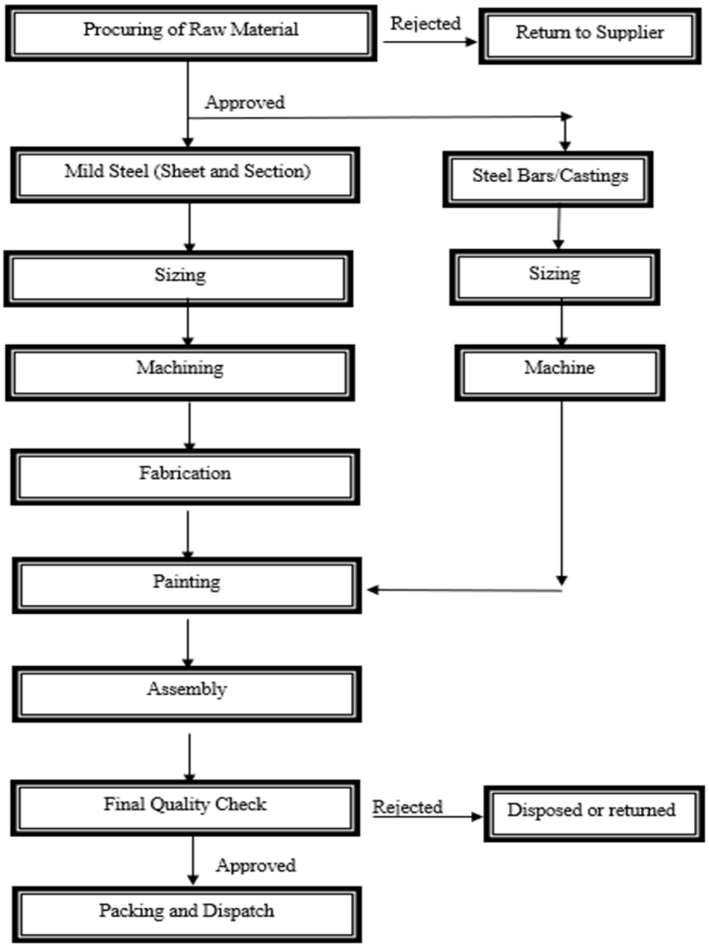
WAREHOUSE



MANUFACTURING PROCESS

Set forth below is a brief description of the process carried out in our facilities to manufacture agro-processing equipments like Cleaning Machine, Milling Machine, Grading Machine etc.

Manufacturing Process for Milling, Grading and Material Handling Machines

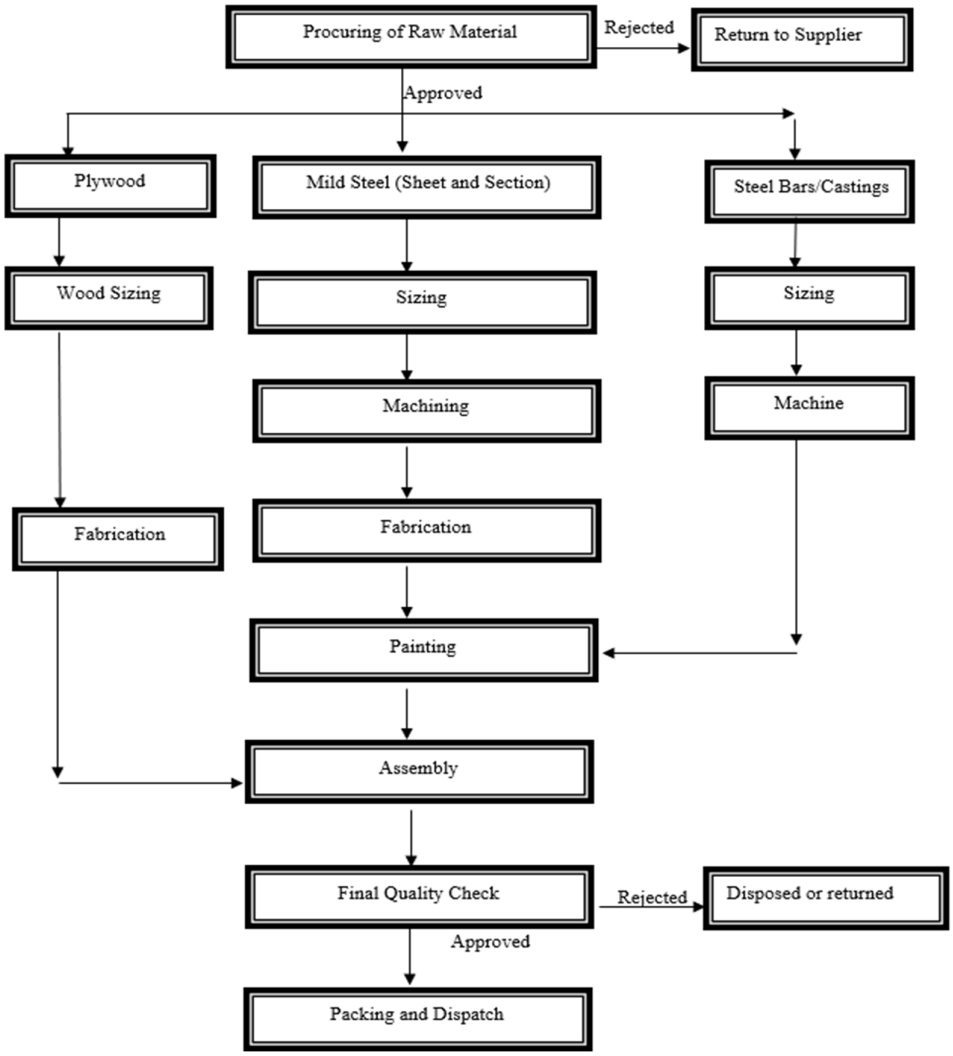


The manufacturing operations described through above diagram is explain as follows:

1. **Procuring of Raw Material** Our manufacturing process is dependent on continuous supply of raw materials i.e. mild steel & steel bars used for manufacturing of our milling and grading equipments from various suppliers, which is then checked for quality standards. If approved the same is stored otherwise returned to Supplier.
2. **Sizing:** Sizing is a stage where every raw material is cut into specific size/dimension using machines like Laser Cutting & Turret for sheet metal and Hexa Cutter for steel profiles (e.g., angles, C channels, solid bars, etc.),
3. **Machining:** The Machining Stage is where the cut material is formed into various precise usable forms according to the type of product required. Here, the material is processed using bending machines to achieve a precise surface finish.
4. **Fabrication:** Fabrication is the stage where different parts of sheet metal and profile sections are assembled using welding processes, maintaining the strength of the structure as per desired engineering standards.
5. **Surface Finishing & Painting:** Surface Finishing is the process of preparing parts/fabricated structures to achieve a perfect aesthetic appearance. This is done using surface grinders, body fillers, and sheet treatment processes. It is followed by painting, which is done using PU-grade paint with a base coat of primer and powder painting which is used in material handling due to its smaller size and high volume of production.
6. **Assembling:** Assembly is the stage where all parts from different areas (finished casted parts, bought-out motors and parts) come together and are installed in the fabricated structure of the machine. Various types of hand tools like hammers and gauges are used during this stage to complete the assembly.

7. **FQC (Final Quality Control):** FQC is the process where all finished goods and machines are tested according to specific standards before delivery. After passing QC approval, they are forwarded to the warehouse for storage.
8. **Packing and Dispatch:** After FQC, all finished equipment is stored and marked for delivery, and then packed accordingly. The final materials are packed and delivered to the customer .

Manufacturing Process for Cleaning Machines



The manufacturing operations described through above diagram is explain as follows:

1. **Procuring of Raw Material** Our manufacturing process is dependent on continuous supply of raw materials i.e. Mild steel, steel bars, plywood used for manufacturing of our cleaning equipments from various suppliers, which is then checked for quality standards. If approved the same is stored otherwise returned to Supplier.

2. **Sizing:** Sizing is a stage where every raw material is cut into specific size/dimension using machines like Laser Cutting & Turret for sheet metal and Hexa Cutter for steel profiles (e.g., angles, C channels, solid bars, etc.), and Randa Machine used for wood sizing.

3. **Machining:** The Machining Stage is where the cut material is formed into various precise usable forms according to the type of product required. Here, the material is processed using bending machines to achieve a precise surface finish.

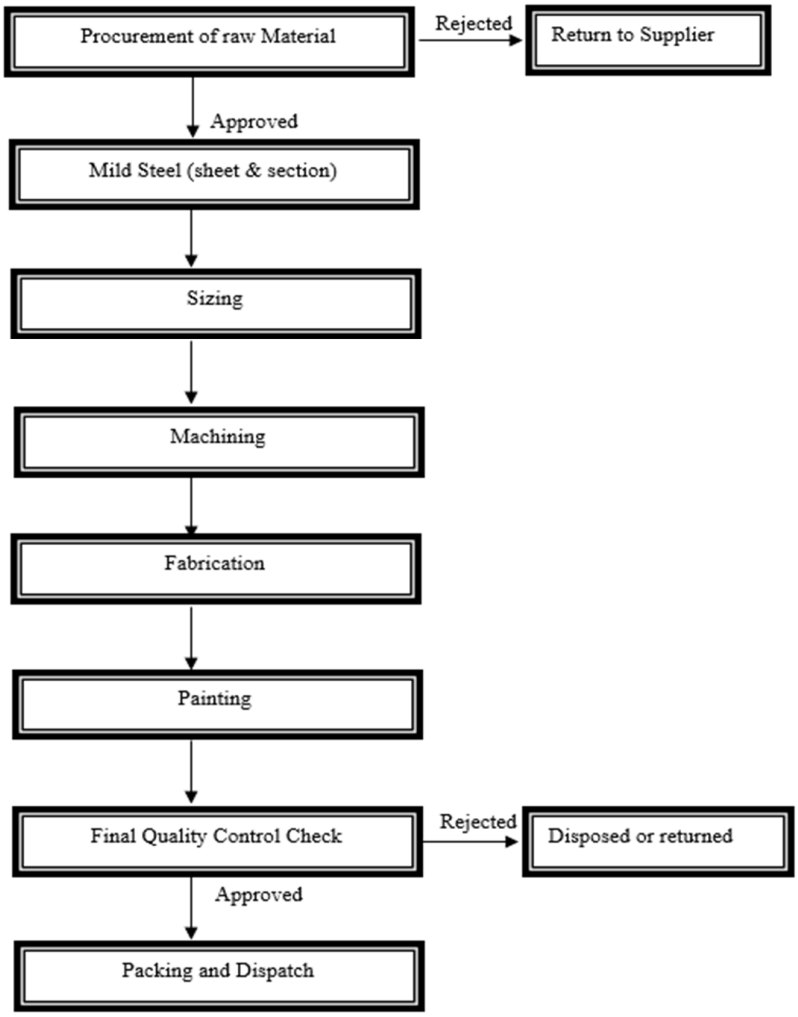
4. **Fabrication:** Fabrication is the stage where different parts of sheet metal and profile sections are assembled using welding processes, maintaining the strength of the structure as per desired engineering standards.

5. **Surface Finishing & Painting:** Surface Finishing is the process of preparing parts/fabricated structures to achieve a perfect aesthetic appearance. This is done using surface grinders, body fillers, and sheet treatment processes. It is followed by

painting, which is done using PU-grade paint with a base coat of primer and powder painting which is used in material handling due to its smaller size and high volume of production.

6. **Assembling:** Assembly is the stage where all parts from different areas (finished casted parts, bought-out motors and parts, wood parts) come together and are installed in the fabricated structure of the machine. Various types of hand tools like hammers and gauges are used during this stage to complete the assembly.
7. **FQC (Final Quality Control):** FQC is the process where all finished goods and machines are tested according to specific standards before delivery. After passing QC approval, they are forwarded to the warehouse for storage.
8. **Packing and Dispatch:** After FQC, all finished equipment is stored and marked for delivery, and then packed accordingly. The final materials are packed and delivered to the customer.

Manufacturing Process for Project Accessories (Aspiration Machine)



The manufacturing operations described through above diagram is explain as follows:

1. **Procuring of Raw Material** Our manufacturing process is dependent on continuous supply of raw materials i.e. mild steel used for manufacturing of our aspiration (cyclone) equipments from various suppliers, which is then checked for quality standards. If approved the same is stored otherwise returned to Supplier.

2. **Sizing:** Sizing is a stage where every raw material is cut into specific size/dimension using machines like Laser Cutting & Turret for sheet metal and Hexa Cutter for steel profiles (e.g., angles, C channels, solid bars, etc.)

3. **Machining:** The Machining Stage is where the cut material is formed into various precise usable forms according to the type of product required. Here, the material is processed using bending machines to achieve a precise surface finish.

4. **Fabrication:** Fabrication is the stage where different parts of sheet metal and profile sections are assembled using welding processes, maintaining the strength of the structure as per desired engineering standards.

5. **Surface Finishing & Painting:** Surface Finishing is the process of preparing parts/fabricated structures to achieve a perfect aesthetic appearance. This is done using surface grinders, body fillers, and sheet treatment processes. It is followed by painting, which is done using PU-grade paint with a base coat of primer and powder painting which is used in material handling due to its smaller size and high volume of production.

6. **FQC (Final Quality Control):** FQC is the process where all finished goods and machines are tested according to specific standards before delivery. After passing QC approval, they are forwarded to the warehouse for storage.

7. **Packing and Dispatch:** The final materials are packed and delivered to the customer.

QUALITY MANAGEMENT

Our Company is committed to provide high-quality products to our customers and endeavor to maintain a quality system, which provides products and services in a timely manner and at competitive prices. Products are manufactured under controlled conditions & suitable working environment is provided. We have adopted standard operating procedures to ensure product quality and customer satisfaction, which are focused on providing products conforming to applicable standards, meeting customer requirements, and improving performance and effectiveness of our quality management system. As on September 30, 2023 we have 03 employees under Quality & maintenance, who are taking care of Quality management and we are also certified with ISO 9001:2015 for Quality Management Systems.

PRODUCTION AND INSTALLED CAPACITY

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	For period ended November 30, 2023*
Installed Capacity (nos.)	800	5,990	7,785	5,600
Actual Production (nos.)	411	3,555	5,231	4,270
Capacity Utilization (in %)	51.38%	59.35%	67.19%	76.25%

**For 8 Months Period*

The information related to the installed capacity is based on the certificate received from M/s Sunrise Engineers, Chartered Engineers vide their certificate dated February 14, 2024.

COLLABORATIONS/TIE UPS/ JOINT VENTURES

Except as disclosed in this Red Herring Prospectus and in the normal course of business, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date.

EXPORT OBLIGATION

As on date of the Red Herring Prospectus our company has no outstanding export obligation

COMPETITION:

We face competition from organized and unorganized players in the agro-processing equipment industry which have a presence across multiple regions in India. There are various companies offering products and services similar to us. We believe the principal elements of competition in our industry are price, durability, product quality, timely delivery, after sale services, reliability and most importantly our pace in keeping up with the changing technology in the industry. To stay competitive, we regularly update our existing facilities/technology and adopt new technology for our manufacturing facilities. We aim to keep our costs of production low to maintain our competitive advantage and our profit margins.

We have no listed companies comparable to us, however, below mentioned companies could be considered as comparable to the company Suri Engineers Private Limited; Milltec Machinery Private Limited.

INFRASTRUCTURE & UTILITIES:

- ***Raw Materials:*** Major Raw Materials which we require for manufacturing of our products includes Bearing, Elevator Belts, Elevator Buckets, Fasteners, Gear Box, Paint, Panel, Plywood, Transmission Pulley, Steel Plates, Stainless Steel Plates etc. We procure raw materials from the suppliers based in domestic & international market. For the FY 2022-23, our total domestic purchase was ₹ 5372.80 Lakhs & total import purchase was ₹ 27.06 Lakhs.

- ***Power:*** The requirement of power for our operations, at our registered office in Delhi & for manufacturing unit and warehouse in Ghaziabad, Uttar Pradesh is met through State Electricity Board.

- ***Water:*** Our water requirement is fulfilled through local sources in registered office, manufacturing unit & warehouse.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. We aim towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations. As on September 30, 2023, our Company has employed around 390 employees (including semi-skilled staff) at various levels of the Organization.

INSURANCE

Our operations are subject to accidents which are inherent to any manufacturing process such as risks of machinery/equipment failure, worker accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including accidents that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environment. We have ICICI Bharat Laghu Udyam Suraksha Policy for our manufacturing unit which covers building, machines & stock insurance from loss due to Fire, Earthquake and terrorism. Further, we have taken Burglary Insurance Policy for our manufacturing unit from ICICI Lombard which covers loss due to theft, riot, strike and malicious damage. Along with the same, we have taken Vehicle Insurance policy and Medical Insurance of Employees from Star Health and Allied Insurance Co. Ltd. For further details, please refer to Risk factor ***"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"*** on page 27 of this Red Herring Prospectus.

IMMOVABLE PROPERTIES

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

S. No.	Details of the Properties	Actual use	Owned/ Leased/Rented
1.	Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India	Registered Office	**Rented**- The said property has been obtained from Sandeep Aggarwal on rent vide lease agreement dated September 29, 2022 for a period of 05 years
2.	F-16 & C-1, Sector A-3, Tronica City, Loni, Ghaziabad – 201103, Uttar Pradesh, India	Corporate Office/ Manufacturing Unit	**Rented**- The said property has been obtained from Narender Kumar on rent vide rent agreement dated November 09, 2023 for a period of 11 months.
3.	Industrial Unit Bearing Plot No. A-1, Sector A-3, Trans-Delhi Signature City, Loni, Ghaziabad – 201103, Uttar Pradesh, India	Warehouse	**Rented**- The said property has been obtained from M/s AMR Texo Fab through its partner Abhishek Kumar Bansal on rent vide rent agreement dated May 12, 2023 for a period of 11 months.

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.

Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of manufacturing of equipments and machinery relating to agriculture. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled "***Government and Other Statutory Approvals***" beginning on page number 183 of this Red Herring Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS AND/OR KEY INDUSTRY AND/OR TRADE RELATED LAWS AND REGULATIONS:

ENVIRONMENTAL LEGISLATIONS:

The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination 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 exists among water, air and land, and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

National Environmental Policy, 2006

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.
Following are the objectives of the National Environmental Policy:
1. Conservation of Critical Environmental Resources
2. Intra-generational Equity: Livelihood Security for the Poor
3. Inter-generational Equity
4. Integration of Environmental Concerns in Economic and Social Development
5. Efficiency in Environmental Resource Use
6. Environmental Governance
7. Enhancement of resources for Environmental Conservation.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (-the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (-the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

The Hazardous and other Wastes (Management & Trans-boundary Movement) Rules, 2016

Hazardous Waste Management Rules are notified to ensure safe handling , generation, processing, treatment, package, storage, transportation, use reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste. These Rules came into effect in the year 1989 and have been amended later in the years 2000, 2003 and with final notification of the Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008 in supersession of former notification. The Rules lay down corresponding duties of various authorities such as MoEF, CPCB, State/UT Govts., SPCBs/PCCs, DGFT, Port Authority and Custom Authority while State Pollution Control Boards/ Pollution Control Committees have been designated with wider responsibilities touching across almost every aspect of Hazardous wastes generation, handing and their disposal.

EMPLOYMENT AND LABOUR LAWS:

The Factories Act, 1948

The Factories Act, 1948, as amended, defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months, twenty or more workers as contract labour to be registered. The Act requires the principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

This law is applicable to all the establishments employing five or more migrant workmen from other states. In addition to this, this law is also applicable to contractors who have employed five or more inter-State workmen. The establishment must be registered with the local authority while employing migrant workers. This means that if an establishment is prohibited from employing migrant workers from other states if they do not have a certificate from the concerned authority. The same law applies to the contractors too who employ workers from one state and deploy them in other states. As per this law, the contractors deploying the migrant workers must provide terms and conditions of the recruitment to the workers. These are the remuneration payable, hours of work, fixation of wages and other essential amenities.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) 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, organising 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.

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 there under.

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 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 labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a 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 minimalize 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 redressal for workmen in different matters.

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 Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

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 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 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.

Legal Metrology Act, 2009 (the "LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 (the "LM Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act provides for inter alia standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules inter alia provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED:

Shops and Establishments laws in various states

As per the provisions of local Shops and Establishments laws applicable in the State of NCT of Delhi and Haryana, Rajasthan, and Maharashtra, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Stamp Act in various states

The purpose of Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Governments of NCT of Delhi and Haryana, Rajasthan, and Maharashtra are empowered to prescribe or alter the stamp duty as per their need.

Professions, Trade, Callings and Employments Act in various states

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of Maharashtra is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the income of individuals, profits of business or gains of vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such persons before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such persons and employer has to obtain the registration from the assessing authority in the prescribed manner.

GENERAL CORPORATE:

Companies Act, 2013

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Sale of Goods Act, 1930

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

The Registration Act, 1908

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.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds

in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

TAX RELATED LEGISLATIONS:

Income Tax Act, 1961

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Central Goods and Services Tax Act, 2017

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

EMPLOYMENT AND LABOUR LAWS' CODIFICATION:

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.

Occupational Safety, Health and Working Conditions Code, 2019

The Government of India enacted 'The Occupational Safety, Health and Working Conditions 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 13 labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, that concern our business.

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.

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 nine 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.

FOREIGN INVESTMENT LAWS:

Foreign Trade (Development and Regulation) Act, 1992

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code ("IEC") number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Foreign Exchange Management Act, 1999 & Rules thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent 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 warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent 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, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974

COFEPOSA came into force for the reason to provide preventive detention and to protect and augment the guidelines of foreign exchange. The Act also aims to control smuggling activities and other issues in relation to these activities. COFEPOSA confers power on the Central and the State Governments tissue orders for detaining a person if it is satisfied that the person has acted detrimental to the protection and intensification of foreign exchange. The Government shall also issue order of detention on the ground that the person has engaged in the activity of smuggling goods, assists any person in smuggling goods, transports or conceals such goods, harbouring any person employed in the smuggling activities or does any other activity related with smuggling. Such an order shall be issued by the Joint Secretary to the Central Government or Secretary to the State Government or any senior officer authorized by the Government.

Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India ("RBI") also issues Master Directions

Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

ANTI-TRUST LAWS

Competition Act, 2002

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

GENERAL LAWS

Apart from the above list of laws, which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

HISTORY AND CORPORATE STRUCTURE

Brief history of our Company:

Our Company was originally incorporated as a Private Limited Company under the name of "Sona Machinery Private Limited" on February 12, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on September 21, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from "Sona Machinery Private Limited" to "Sona Machinery Limited" vide a fresh certificate of incorporation Consequent upon conversion to public company dated October 17, 2023, issued by the Registrar of Companies, Delhi and bearing CIN U29256DL2019PLC345856.

Narender Kumar and Vasu Naren 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, 79, 120, 136 and 172 respectively of this Red Herring Prospectus.

Our Locations:

Registered Office	Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India
Corporate Office/ Manufacturing Unit	F-16 & C-1, Sec A-3, Tronica City, GZB, Loni, Ghaziabad-201103, Uttar Pradesh India

Changes in Registered Office of the Company since Incorporation:

Except as disclosed below, there has not been any change in our Registered Office since incorporation till the date of this Red Herring Prospectus:

Effective Date	From	To	Reason for Change
Upon Incorporation	Plot No.- 35/1A, Rajeev Nagar, Begumpur-110086 New Delhi		NA
August 19, 2021	Plot No.- 35/1A, Rajeev Nagar, Begumpur-110086 New Delhi	228 3rd Floor State Bank Nagar, Paschim Vihar-1, West Delhi, Delhi-110063, India	To increase Operational Efficiency
November 07, 2023	228 3rd Floor State Bank Nagar, Paschim Vihar-1, West Delhi, Delhi-110063, India	Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5, Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India	To increase Operational Efficiency

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 carry on business as manufactures, importers, exporters, dealers of Rice mill machinery, Dal Mill machinery, Flour mill machinery and machinery for milling of other grains and cereals etc. and to set up factories or mills for the manufacture thereof.

2. To carry on the business of manufacturers, wholesalers, dealers, exporters, importers of any kind of machinery, equipment and/ or tools for the food processing industry and all kinds of machinery, tools, implements for all kinds of industry including agricultural, horticultural and scientific instruments of any kind.

3. To undertake any kind of turnkey, engineering projects of any kind and to assemble, fabricate machines and tools and to deal in machinery, repair, convert, alter, let on hire machinery, implements, tools and hardware of all kinds.

4. To engage, undertake and execute any contracts for works involving repair or use of any machinery or machine tools and to carry out any primary, secondary, ancillary or other works comprised in such engineering contracts in India or any place in the world.

5. To promote, establish, improve, develop, administer, own and run agro-industries, projects or enterprises or programmes for manufacture or production of plant, machinery, implements, accessories, tools, materials substances, goods or things which in the opinion of the company will help the growth and modernization of agriculture, horticulture, forestry, pisciculture, sericulture, apiculture, poultry farming and animal husbandry.

6. To manufacture or assemble in India, either in collaboration or otherwise Power Reapers, Reaper Binders, Combine Harvesters, Rice Transplanters, Potato Diggers, Threshers, such other agricultural machineries and their attachments and spare parts thereto and to acquire, purchase, give or sell, export or import the same for trading either on hire purchase or on full payment or otherwise as may be of interest to the Company.

Amendments to the Memorandum of Association:

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of Meeting	Amendments
September 11, 2023	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 10.00 Lakhs divided into 1,00,000 Equity Shares of ₹ 10/- each to ₹ 1,500.00 Lakhs divided into 1,50,00,000 Equity Shares of ₹ 10/- each.
September 21, 2023	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently, Name of the Company has been changed from "Sona Machinery Private Limited" to "Sona Machinery Limited" vide a Certificate of Incorporation Consequent upon conversion to public company dated October 07, 2023, issued by the Registrar of Companies, Delhi and bearing CIN U29256DL2019PLC345856.

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
2019	Incorporation of our Company as "Sona Machinery Private Limited" under the Companies Act, 2013
2021	Purchased the fixed assets and stock from "M/s Sona Foods India", which is a proprietorship concern of Narender Kumar, father of our promoter, Vasu Naren.
2023	Conversion of the Company from Private Limited to Public Limited.

Other details about our Company:

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of plants, 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, 120 and 172 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 120 and 55 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 55 of the Red Herring Prospectus.

For a description of our Company's debt facilities, see "***Statement of Financial Indebtedness***" on page 170 of the Red Herring Prospectus.

Lock-out or strikes:

There have been no lock-outs or strikes in our Company since inception.

Changes in activities of our Company during the last five (5) Years:

Except as disclosed in this Red Herring Prospectus, 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 this Red Herring Prospectus, our Company does not have holding company.

Our Subsidiary & Associate Company:

As on the date of this Red Herring Prospectus, our Company does not have subsidiary & associate company.

Our Joint Ventures:

As on the date of this Red Herring Prospectus, our Company does not have any Joint Ventures.

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.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. if any, in the last ten years:

Except as disclosed in this Red Herring Prospectus, 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.

Injunction or Restraining Order:

Except as disclosed in the section titled ***"Outstanding Litigation and Material Developments"*** beginning on page 180 of this Red Herring Prospectus, there are no injunctions/restraining orders that have been passed against our Company.

Number of shareholders of our Company:

Our Company has Seven (7) 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 55 of the Red Herring Prospectus.

Changes in the Management:

For details of change in Management, please see chapter titled ***"Our Management"*** on page 120 of the Red Herring Prospectus.

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.

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.

Collaboration Agreements:

As on date of this Red Herring Prospectus, 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.

Strategic or Financial Partners:

Our Company does not have any strategic or financial partners as on the date of this Red Herring Prospectus.

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.

Other Agreements:

i. Non-Compete Agreement:

Our Company has not entered into any No- 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.

OUR MANAGEMENT

Board of 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:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
Vasu Naren **Designation:** Chairman & Managing Director **Age:** 28 years **Date of Birth:** June 12, 1995 **Address:** House No.228, 4th Floor, State Bank Nagar, Near Sehgal Hospital, Paschim Vihar, New Delhi-110063, Delhi, India. **Experience:** 08 Years **Occupation:** Business **Qualification:** Senior Secondary (12th) **Current Term:** For a period of three years, with effect from November 06, 2023, liable to retire by rotation **Period of Directorship:** Since incorporation **DIN:** 06915821	1. Can Engineering Solutions Private Limited 2. Sona Food India Private Limited*
Shweta Baisla **Designation:** Whole time Director & Chief Financial Officer **Age:** 29 years **Date of Birth:** June 10, 1994 **Address:** House No.228, 4th Floor State Bank Nagar, Paschim Vihar, New Delhi-110063, Delhi, India. **Experience:** 02 years **Occupation:** Business **Qualification:** Master in Business Administration **Current Term:** Designated as Whole Time Director of the Company, w.e.f. November 06, 2023 for a period of 3 years and shall be liable to retire by rotation **Period of Directorship:** Since July 07, 2022 **DIN:** 09652443	Nil
Naman Jain **Designation:** Independent Director **Age:** 29 years **Date of Birth:** January 10, 1994 **Address:** H.No.243, Moh. Frashkhana, Narnaul -123001, Haryana, India.	1. Peach Advisory Private Limited

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
Experience: 7 years **Occupation:** Professional **Qualification:** Chartered Accountants **Current Term:** For a period of 5 years with effect from November 06, 2023 not liable to retire by rotation. **Period of Directorship:** 5 years **DIN:** 08359842	
Preet Kumar **Designation:** Independent Director **Age:** 30 years **Date of Birth:** January 09, 1993 **Address:** 20, Archna Enclave Near Sahil Public School, Khora Gaon, Gautam Buddha Nagar, Dadri - 201309, Uttar Pradesh, India **Experience:** 4.5 years **Occupation:** Professional **Qualification:** Company Secretary **Current Term:** For a period of 5 years with effect from November 06, 2023 not liable to retire by rotation **Period of Directorship:** 5 Years **DIN:** 10371737	Nil
Akash Kumar Bansal **Designation:** Independent Director **Age:** 26 years **Date of Birth:** February 22, 1998 **Address:** Near Rajasthan Bank, Chirawa Road, Indira Colony, Singhana, Jhunjhunun-333516, Rajasthan, India. **Experience:** More than 03 Years **Occupation:** Business **Qualification:** Chartered Accountant **Current Term:** For a period of 5 years, with effect from January 20, 2024, not liable to retire by rotation **Period of Directorship:** 5 years **DIN:** 10469091	Nil

** Company is under status of dormant under section 455 of Companies Act, 2013*

Brief Profile of Directors:

1. **Vasu Naren,** aged 28 years is the Promoter and Chairman and Managing Director of our Company. He has been on the Board of Directors of our Company since incorporation. He has completed his Senior Secondary from Central Board of Secondary Education in 2013. He is having an overall experience of around 08 years in the milling equipment manufacturing industry. He joined the family business i.e. M/s Sona Foods India in year 2015 and is looking after the overall business operations of the company including sales, marketing, design, quality etc. Under his guidance our Company has witnessed continuous growth and has been instrumental in the growth of our business.

2. **Shweta Baisla,** aged 29 years is the Promoter and Whole time Director & CFO of our Company. She has been on the Board of Directors of our Company since 2022. She possesses 2 years of experience in the said industry. She has completed her Master of Business Administration from University of Delhi, in year 2021. She primarily looks after the legal and financial planning and accounts of the company.

3. **Naman Jain,** aged 29 years is an Independent Director of our Company. He has been on the Board of Directors of our Company since 2023. He is an fellow member of the Institute of Chartered Accountants of India since 2016. He has an overall experience of around 7 years in the finance and taxation matters.

4. **Preet Kumar,** aged 30 years is an Independent Director of our Company. He has a work experience of around 4.5 years in the field of Corporate Laws and Corporate Restructuring. He is an associate Member of Institute of Company Secretaries of India since 2019.

5. **Akash Kumar Bansal,** aged 26 years is an Independent Director of our Company. He has been on the Board of Directors of our Company since 2024. He is an associate member of the Institute of Chartered Accountants of India since 2020. He has an overall experience of more than 03 years in consultancy related to finance and direct taxation.

Confirmations:

As on the date of this Red Herring Prospectus:

a) None of our Directors of our Company 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) 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.

Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)

The Directors and KMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMP	Relationship with other Directors/KMPs
1.	Vasu Naren	Husband of Shweta Baisla
2.	Shweta Baisla	Wife of Vasu Naren

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 November 06, 2023 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 ₹150 crores (Rupees One Hundred Fifty Crores Only).

Compensation of our Managing Director and Whole-time Directors

The compensation payable to our Managing Director and Whole-time Directors 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).

The following compensation has been approved for Managing Director and Whole-time Directors

1. **Vasu Naren: Chairman & Managing Director**

   Pursuant to the resolutions passed by our Board and our Shareholders on November 01, 2023 and November 06, 2023 respectively, Vasu Naren was appointed and re-designated as Chairman & Managing Director for a period of three years with effect from November 06, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹180 lakhs p.a.

2. **Shweta Baisla: Whole time Director**

   Pursuant to the resolutions passed by our Board and our Shareholders on November 01, 2023 and November 06, 2023 respectively, Shweta Baisla was appointed and re-designated as Whole Time Director for a period of three years with effect from November 06, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹120 lakhs p.a.

Payments or benefits to Directors:

The remuneration paid to our Directors in Fiscal 2023 is as follows:

Name of Director	Remuneration paid in F.Y. 2022-23 (₹ in lakhs)
Vasu Naren	87.47
Shweta Baisla	9.20

Bonus or Profit-Sharing Plan for our Directors:

We have no bonus or profit-sharing plan for our directors.

Sitting Fees:

Pursuant to Board Resolution dated November 07, 2023, the remuneration payable in terms of sitting fees to the Directors (including Independent Directors) for attending the Meetings of the Board and Committee thereof shall not exceed the limits prescribed under Section 197(5) of the Companies Act, 2013.

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.	Vasu Naren	90,90,000	90.00
2.	Shweta Baisla	3,02,996	3.00
	Total	**93,92,996**	**93.00**

We do not have Subsidiary Company as defined under Section 2(87) of the Companies Act, 2013.

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 120 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 or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to ***"Statement of Financial Indebtedness"*** on page 170 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 of the Company –Annexure Y - Related Party Transaction"*** beginning on page 120 and 136 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 in the property of Our Company:

Our directors do not have any interest in any property acquired by our Company in the three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Changes in Board of Directors in Last 3 Years

Name of Director	Date of Change	Reasons for Change in Board
Vasu Naren	January 01, 2021	Re-designated as Whole time Director
Narender Kumar	January 01, 2021	Re-designated as Whole time Director
Narender Kumar	June 01, 2022	Re-designated as Non-Executive Director
Vasu Naren	July 27, 2022	Re-designated as Executive Director
Shweta Baisla	July 07, 2022	Appointed as Additional Director
Shweta Baisla	September 30, 2022	Regularized as Executive Director
Shweta Baisla	November 01, 2023	Appointed as Chief Financial Officer
Vasu Naren	November 06, 2023	Re-designated as Chairman & Managing Director
Shweta Baisla	November 06, 2023	Re-designated as Whole time Director
Naman Jain	November 06, 2023	Appointed as Independent Director
Preet Kumar	November 06, 2023	Appointed as Independent Director
Narender Kumar	January 20, 2024	Resignation due to personal and unavoidable circumstances
Akash Kumar Bansal	January 20, 2024	Appointed as Independent Director

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



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, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of NSE (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 and Nomination & Remuneration 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, and we have one women director 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, vide Board Resolution dated November 07, 2023 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 SEBI Listing Regulations. The Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Naman Jain	Chairman	Independent Director
Preet Kumar	Member	Independent Director
Shweta Baisla	Member	Whole time Director & Chief Financial Officer

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure of the committee:
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 120 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

but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

C. Power of the Committee:

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

D. Role of the Committee:

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

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 and monitoring with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
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;
12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14) 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;
15) Discussing with internal auditors on any significant findings and follow up thereon;
16) 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;
17) 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;
18) 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;
19) Reviewing the functioning of the whistle blower mechanism;
20) 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;
21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

23) 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.

Further, the Audit Committee shall mandatorily review the following:

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 Stakeholders Relationship Committee vide Board Resolution dated November 07, 2023 & subsequent amendment thereof on January 20, 2024 as per the applicable provisions of the Section 178(5) 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 Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Preet Kumar	Chairman	Independent Director
Naman Jain	Member	Independent Director
Vasu Naren	Member	Managing Director

The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure of the committee:

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 of the committee:

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

C. Terms of Reference:

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity 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 listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity 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. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company.;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;

9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. 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.

3. Nomination and Remuneration Committee

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated November 07, 2023 & subsequent amendment thereof on January 20, 2024 as per the applicable provisions of the 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 Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Naman Jain	Chairman	Independent Director
Preet Kumar	Member	Independent Director
Akash Kumar Bansal	Member	Independent Director

The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure of the committee:

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 of the committee:

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the Annual General Meeting of the company to answer shareholder queries.

C. Role of Terms of Reference:

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the 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:
    a. use the services of external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. 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:
    a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    b. 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.

KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2022-23 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
Vasu Naren **Designation:** Chairman and Managing Director **Educational Qualification:** Senior Secondary (12th) **Term of office:** 3 years w.e.f. November 06, 2023, liable to retire by rotation	28	2019	87.47	06	Sona Foods India
Shweta Baisla* **Designation:** Whole-time Director & CFO **Educational Qualification:** Master in Business Administration **Term of office:** 3 years w.e.f. November 06 2023, liable to retire by rotation	29	2022	9.20	02	-
Supriya **Designation:** Company Secretary & Compliance Officer **Educational Qualification-** Company Secretary	28	2023	NA	05	Butterfly Ayurveda Private Limited

**Shweta Baisla has joined the company in year 2022 as Director in year 2022, further the has company decided to re-designate her as Chief Financial Officer of the company.*

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Vasu Naren - Please refer to section **"Brief Profile of our Directors"** beginning on page 120 of this Red Herring Prospectus for details.

Shweta Baisla- Please refer to section **"Brief Profile of our Directors"** beginning on page 120 of this Red Herring Prospectus for details.

Supriya is the Company Secretary and Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India. She has experience of around 5 years in the field of secretarial and corporate law compliances. She is currently responsible for the overall Corporate Governance and secretarial Compliance and functions of our Company.

We confirm that:

a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
b. 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.
c. None of our KMPs except Vasu Naren & Shweta Baisla are also part of the Board of Directors.
d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended November 30, 2023.
e. 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.

f. Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.
g. 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 KMP's	No. of Shares held
1.	Vasu Naren	90,90,000
2.	Shweta Baisla	3,02,996
	Total	**93,92,996**

h. Presently, we do not have ESOP/ ESPS scheme for our employees.

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	Appointment/ Cessation/ Re-designation	Reasons
1.	Vasu Naren	Change in Designation as Wholetime Director w.e.f. January 01, 2021 for a period of 5 years	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
2.	Narender Kumar	Change in Designation as Wholetime Director w.e.f. January 01, 2021 for a period of 5 years	Re-designation	
3.	Narender Kumar	Change in Designation as Non-Executive Director w.e.f. June 01, 2022	Re-designation	
4.	Vasu Naren	Change in Designation as Executive Director w.e.f. July 27, 2022	Re-designation	
5.	Supriya	Appointed as Company Secretary w.e.f. September 13, 2023, Further, designated as Company Secretary & compliance Officer w.e.f. November 01, 2023.	Appointment	
6.	Shweta Baisla	Appointed as Chief Financial Officer w.e.f. November 01, 2023	Re-designation	
7.	Vasu Naren	Change in Designation as Chairman & Managing Director w.e.f. November 06, 2023 for a period of 3 years	Re-designation	
8.	Shweta Baisla	Change in Designation as Whole time Director w.e.f. November 06, 2023 for a period of 3 years	Re-designation	

Interest of Our Key Managerial Persons

Apart from the shares held in the Company and 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 or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled ***"Financial information of the Company – Annexure Y - Related Party Transaction"*** beginning on page 136 of this Red Herring Prospectus.

Interest in the property of our Company

Except as disclosed in the 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.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/ customers/ suppliers.

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 ***"Annexure -Y – Related Party Transaction"*** page 136 of this Red Herring Prospectus.

OUR PROMOTERS & PROMOTER GROUP

Our Promoters:

The Promoters of our Company are Vasu Naren & Shweta Baisla. As on date of this Red Herring Prospectus, the Promoters holds 93,92,996 Equity shares of our Company, representing 93.00% 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"***, on pages 55 of this Red Herring Prospectus.

Brief Profile of our Promoters is as under:

	**Vasu Naren- Chairman & Managing Director**	
	Qualification	Senior Secondary (12th)
	Age	28 Years
	Date of Birth	June 12, 1995
	Address	House No.228, 4th Floor, State Bank Nagar, Near Sehgal Hospital, Paschim Vihar, New Delhi-110063, Delhi, India
	Experience in business & employment	08 Years
	Occupation	Business
	PAN	ATFPV9848M
	No. of Equity Shares & % of Shareholding (Pre-Issue)	90,90,000 Equity Shares aggregating to 90.00% of Pre-Issue Paid up Share Capital
	Other Ventures	**Directorships in other Companies:** 1. Can Engineering Solutions Private Limited 2. Sona Food India Private Limited*
	**Shweta Baisla- Whole time Director & Chief Financial Officer**	
	Qualification	Master in Business Administration
	Age	29 Years
	Date of Birth	June 10, 1994
	Address	House No.228, 4th Floor State Bank Nagar, Paschim Vihar, New Delhi-110063, Delhi, India.
	Experience in business & employment	02 Years
	Occupation	Business
	PAN	CGKPB228R
	No. of Equity Shares & % of Shareholding (Pre-Issue)	3,02,996 Equity Shares aggregating to 3.00% of Pre-Issue Paid up Share Capital
	Other Ventures	Nil

** Company is under status of dormant under section 455 of Companies Act, 2013*

BRIEF PROFILE OF PROMOTERS:

Vasu Naren- Please refer to chapter **"Our Management"** beginning on page 120 of this Red Herring Prospectus for details.

Shweta Baisla- Please refer to chapter **"Our Management"** beginning on page 120 of this Red Herring Prospectus for details.

Confirmations/ Declarations:

In relation to our Promoters Vasu Naren & Shweta Baisla, our Company confirms that the PAN, Bank Account number, Passport number, Aadhaar 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:

- 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
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a 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.
- 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.
- 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 180 of this Red Herring Prospectus.
- None of our Promoters, person in control of our Company is or 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.

Interest of our Promoters:

i. Interest in promotion and Shareholding of Our Company

Our Promoters is 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, Vasu Naren & Shweta Baisla holds 93,92,996 Equity Shares in our Company i.e., 93.00% of the pre issue paid up Equity Share Capital of our Company. 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 him for the rent, purchase and sale transactions. For details, please refer to **Annexure Y- *"Related Party Transactions"*** beginning on page 136 of this Red Herring Prospectus.

For details regarding the shareholding of our Promoters in our Company, please see ***"Capital Structure"*** on page 55 of this Red Herring Prospectus.

ii. Interest in the property of 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.

iii. Interest in transactions for acquisition of land, construction of building and supply of machinery

None of our promoters or directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

iv. Other Interests in our Company

For transactions in respect of loans and other monetary transactions entered in past please refer ***Annexure Y*** *on* ***"Related Party Transactions"*** *on page 136 forming part of* ***"Financial Information of the Company"*** *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 ***"Statement of Financial Indebtedness"*** and ***"Financial Information of Our Company"*** on page 170 and 136 respectively of this Red Herring Prospectus.

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 120 also refer Annexure-Y on ***"Related Party Transactions"*** on page 136 forming part of "***Financial Information of the Company"*** and Paragraph on ***"Interest of Promoters"*** in chapter titled "***Our Promoters & Promoter Group***" on page 132 of this Red Herring Prospectus.

Companies/ Firms with which our Promoters has disassociated in the last (3) three years:

Our promoters have not disassociated themselves from any of the 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 ***"Our Promoters & Promoter Group"*** beginning on page 132 of this Red Herring Prospectus, there are no other ventures, in which our Promoters have any business interests/ other interests.

Litigation details pertaining to our Promoters:

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled ***"Outstanding Litigations and Material Developments"*** beginning on page 180 of this Red Herring Prospectus.

Experience of Promoters in the line of business:

Our Promoters Vasu Naren & Shweta Baisla have experience of more than 08 years and 02 years respectively in the associate industry. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

Related Party Transactions:

For the transactions with our Promoter Group, please refer to section titled **"Annexure Y- Related Party Transactions"** on page 136 of this Red Herring Prospectus.

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 with Promoters	Vasu Naren	Shweta Baisla
Father	Narender Kumar	Mahinder Singh
Mother	Anju	Raj Biree
Spouse	Shweta Baisla	Vasu Naren
Brother	-	Naman Baisla
Sister	Saniya Naren	Manisha Baisla
	Ritika	
Son	-	-
Daughter	Ganishka Naren	Ganishka Naren
Spouse's Father	Mahinder Singh	Narender Kumar
Spouse's Mother	Raj Biree	Anju
Spouse's Brother	Naman Baisla	-
Spouse's Sister	Manisha Baisla	Saniya Naren
		Ritika

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:

Sr. No.	Nature of Relationship	Entities
1.	Any Body Corporate (other than Subsidiary & Associate) 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. Can Engineering Solutions Private Limited 2. Sona Food India Private Limited
2.	Any Body Corporate in which a body corporate as provided in (A) above holds 20% 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 20% of the total capital.	-

3. Other persons included in Promoter Group:

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp) (v) of SEBI (ICDR) Regulations, 2018.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have a formal dividend policy for declaration of dividend in respect of Equity shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the eight months' period ended November 30, 2023 and last three financial years and for the period from March 31, 2023 to the date of the filing of this Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION VI- FINANCIAL INFORMATION OF THE COMPANY

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENTS

To,
The Board of Directors of
SONA MACHINERY LIMITED,
701, 7th floor KLJ tower Plot No. B-5
Netaji Subhash Place, Maurya Enclave,
North West Delhi, India, 110034

Dear Sir,

Reference: - Proposed Public Issue of Equity Shares of **Sona Machinery Limited**

We have examined the attached Restated Financial Statement of **Sona Machinery Limited** (hereunder referred to "the Company", "Issuer") comprising the Restated Statement of Assets and Liabilities as at November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the period/year ended November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021, the statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Statement) as approved by the Board of Directors in their meeting held on 19th February, 2024 for the purpose of inclusion.

in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus ("Offer Document") in connection with its proposed Initial Public Offering (IPO) of equity shares, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) prepared in terms of the requirement of:-

a) Section 26 & Section 32 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 Statement for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, of relevant state in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company for the period/year ended on November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021 on the basis of notes to restatement in note 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.

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 25th October, 2023 in connection with the proposed 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 & 32 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 IPO.

This Restated Financial Statements have been compiled by the management from:

a) Audited financial statements of the company as at and for the period/year ended on November 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India,

For the purpose of our examination, we have relied on:

a) Auditors' Report issued by the Auditor M/s Sanjay V Gupta & Associates dated 4th September ,2023, 25th August, 2022, and 08th November, 2021, for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 respectively. The Interim Financial Statement for the Period ended 30th November, 2023 has been audited by us only vide our report dated 15th February, 2024.

The modification in restated financials were carried out based on the modified reports, if any, issued by Statutory Auditor which is giving rise to modifications on the financial statements as at and for the period/ years ended November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021.

a) 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;

b) 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;

c) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;

d) 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;

e) Adjustments in Restated Financial Statement have been made in accordance with the correct accounting policies,

f) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement, except - :
   1) Accounting of retirement benefits was accounted on cash basis which is not as per AS-15 (Revised) "Employee benefits", however during the restatement Company has accounted such retirement benefits basis actuarial valuation certificate.
   2) The Company has corrected the accounting policy for amortization of Intangible assets, the Depreciation on Intangible Assets as per AS -26 "Intangible Assets" and amortized the carrying value under SLM in 5 years period. Earlier Company was charging Depreciation under WDV method which not in accordance with the requirement of accounting standard. Further the Management has rectified the assumption of life of office Equipment from 15 years to 5 years as per the life estimate given in schedule II of the Companies Act, 2013. The effect of the same has been disclosed in notes to Restatement as disclosed in Annexure V of this report.

g) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statement

h) The Company has not paid dividend during FY 2020-21 to FY 2022-23 and for the period ended November 30,2023.

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 November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021 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 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 period/ year ended November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021 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 period/year ended November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021 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 as approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial period/year ended November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021 proposed to be included in the Offer Document for the proposed IPO.

Restated Statement of Share Capital, Reserves and Surplus	Annexure-A
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.	Annexure-B, B(A) and B(B)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of long-term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities and short-term Provisions	Annexure-F
Restated Statement of Property, Plant and Equipment and Intangible Assets	Annexure-G
Restated Statement of Non-Current Investments	Annexure-H
Restated Statement of Long-Term Loans and Advances	Annexure-I
Restated Statement of Current Investment	Annexure-J
Restated Statement of Inventory	Annexure-K
Restated Statement of Trade Receivables	Annexure-L
Restated Statement of Cash & Cash Equivalents	Annexure-M
Restated Statement of Short-Term Loans and Advances	Annexure-N
Restated Statement of Other Current Assets	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Non- Operating Income	Annexure-Q
Restated Statement of Cost of Material Consumed and Purchases of Stock in Trade	Annexure-R
Restated Statement of Change in Inventories	Annexure-S
Restated Statement of Employee Benefits Expenses	Annexure-T
Restated Statement of Finance Cost	Annexure-U
Restated Statement of Depreciation & Amortization	Annexure-V
Restated Statement of Other Expenses	Annexure-W
Restated Statement of Mandatory Accounting Ratios	Annexure-X
Restated Statement of Related Party Transaction	Annexure-Y
Restated Statement of Capitalization	Annexure-Z
Restated Statement of Tax Shelter	Annexure-AA
Restated Statement of Contingent Liabilities	Annexure-AB
Restated Statement of Other Financial Ratio	Annexure-AC
Restated Statement of Other Notes	Annexure-AD
Significant Accounting Policy and Notes to The Restated financial Statements	Annexure IV
Material Adjustment to the Restated Financial	Annexure V

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. R K Jagetiya & Co, 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 Annexure A to AC of this report read with the respective Significant Accounting Polices and Notes to Accounts as set out in Annexure IV and V 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 R K Jagetiya & CO.
Chartered Accountant
FRN:- 146264W

Sd/-
(Ravi Kant Jagetiya)
Proprietor
M. No. 134691
Place: Mumbai
Date: 19th February, 2024
UDIN: **24134691BKACYI5555**

ANNEXURE I

RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

PARTICULARS			Annexure	As at the Period/Year ended			
				November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
A)	EQUITY AND LIABILITIES						
1.	Shareholders' Funds						
(a)	Share Capital		A	1,010.00	10.00	10.00	10.00
(b)	Reserves & Surplus			770.16	1,122.34	353.98	27.51
				1,780.16	**1,132.34**	**363.98**	**37.51**
2.	Non Current Liabilities						
(a)	Long Term Borrowings		B, B(A) and B(B)	63.32	101.65	26.78	-
(b)	Deferred Tax Liabilities (Net)		C	-	-	-	-
(c)	Long Term Provisions		D	35.55	37.48	8.59	2.13
				98.87	**139.13**	**35.37**	**2.13**
3.	Current Liabilities						
(a)	Short Term Borrowings		B, B(A) and B(B)	49.62	150.94	209.83	-
(b)	Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises; and			E	759.97	265.44	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.				644.41	641.69	538.48	514.38
(c)	Other Current Liabilities		F	706.16	254.84	226.36	143.60
(d)	Short Term Provisions			172.12	273.82	142.56	34.59
				2,332.27	**1,586.73**	**1,117.23**	**692.57**
	Total			**4,211.30**	**2,858.20**	**1,516.58**	**732.20**
B)	ASSETS						
1.	Non Current Assets						
(a)	Property, Plant & Equipment and Intangible Assets						
	i)	Tangible Assets					
		(i) Gross Block	G	848.20	547.76	306.72	241.24
		(ii) Depreciation		206.44	150.45	71.93	10.97
		(iii) Net Block		641.76	397.31	234.78	230.27
	ii)	Intangible Assets				-	-
		(i) Gross Block		44.73	40.50	38.75	33.51
		(ii) Depreciation		20.54	15.32	7.70	1.02
		(iii) Net Block		24.18	25.17	31.05	32.49
	iii)	Capital Work in Progress		-	-	-	-
				665.95	**422.49**	**265.83**	**262.76**
(b)	Non-Current Investment		H	481.00	399.59	-	-
(c)	Deferred Tax Assets (Net)		C	16.31	14.98	5.23	2.86
(d)	Long Term Loans and Advances		I	2.25	2.25	-	-
				499.56	**416.83**	**5.23**	**2.86**
2.	Current Assets						
(a)	Current Investments		J	-	-	-	-
(b)	Inventories		K	952.80	526.88	190.15	164.13
(b)	Trade Receivables		L	724.37	594.05	439.83	114.31
(c)	Cash and Cash equivalents		M	886.27	663.19	156.26	57.94
(d)	Short-Term Loans and Advances		N	424.84	221.24	459.29	130.20
(e)	Other Current Assets		O	57.52	13.52	-	-
				3,045.80	**2,018.89**	**1,245.52**	**466.58**
	Total			**4,211.30**	**2,858.19**	**1,516.58**	**732.21**

ANNEXURE II

RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

PARTICULARS			Annexure	For the Year/Period ended on			
				November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1	Revenue From Operation		P	6,275.28	8,096.63	4,451.59	604.19
2	Other Income		Q	12.83	21.43	1.48	2.14
3	Total Income (1+2)			6,288.11	8,118.06	4,453.07	606.33
4	Expenditure						
(a)	Cost of Goods Sold		R	3,799.42	5,126.18	2,906.86	548.93
(a)	Purchases of Stock in Trade			118.45	-	-	-
(a)	Changes in inventories of finished goods.		S	(169.20)	(63.06)	57.52	(131.91)
(a)	Employee Benefit Expenses		T	873.99	942.88	466.84	88.09
(b)	Finance Cost		U	10.26	51.43	7.55	-
(c)	Depreciation and Amortisation Expenses		V	68.87	88.42	68.03	11.99
(d)	Other Expenses		W	713.72	912.92	488.00	58.67
5	Total Expenditure 4(a) to 4(d)			5,415.52	7,058.78	3,994.80	575.78
6	Profit/(Loss) Before Exceptional & extraordinary items & Tax (3-5)			872.59	1,059.29	458.27	30.55
7	Exceptional item			0	0	0	0
8	Profit/(Loss) Before Tax (6-7)			872.59	1,059.29	458.27	30.55
9	Tax Expense:						
(a)	Tax Expense for Current Year			226.09	300.68	134.16	5.61
(b)	Short/(Excess) Provision of Earlier Year			-	-	-	-
(c)	Deferred Tax			(1.32)	(9.76)	(2.36)	(2.86)
	Net Current Tax Expenses			224.77	290.92	131.80	2.75
10	**Profit/(Loss) for the Year (8-9)**			**647.82**	**768.36**	**326.47**	**27.81**
11	**Earnings per equity shares (Face Value of ₹ 10 each)**						
	i	Basic		6.41	7.61	3.23	0.28
	ii	Diluted		6.41	7.61	3.23	0.28

ANNEXURE III

RESTATED CASH FLOW STATEMENT

(₹ in Lakhs)

PARTICULARS	For the Period/Year ended on			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
A) Cash Flow from Operating Activities :				
Net Profit before tax	872.59	1,059.29	458.27	30.55
Adjustment for :				
Depreciation	68.87	88.42	68.03	11.99
Interest Paid	10.26	51.43	7.55	-
Provision of Gratuity & Leave Encashment	(1.53)	28.80	6.54	2.14
Loss/(Profit) on Sale of Asset	10.47	0.09		
Interest Income	(4.12)	(0.41)	(0.09)	(0.33)
Adjustment with the Retained earnings	-	-	-	-
Operating profit before working capital changes	**956.53**	**1,227.61**	**540.29**	**44.35**
Changes in Working Capital				
(Increase)/Decrease in Inventory	(425.92)	(336.74)	(26.02)	(164.13)
(Increase)/Decrease in Trade Receivables	(130.32)	(154.22)	(325.52)	(114.31)
(Increase)/Decrease in Short Term Loans & Advances and Provisions	(203.60)	238.05	(329.09)	(130.00)
(Increase)/Decrease in Other Current Assets	(44.00)	(13.52)	-	-
Increase/(Decrease) in Trade Payables	497.25	368.64	24.11	514.38
Increase/(Decrease) in Other Current Liabilities	451.32	28.48	82.75	143.10
Increase/(Decrease) in Short Term Provisions	(93.17)	74.31	29.45	31.46
Cash generated from operations	**1,008.12**	**1,432.60**	**(4.02)**	**324.85**
Less:- Income Taxes paid	(235.02)	(243.65)	(55.71)	(2.50)
Net cash flow from operating activities A	**773.10**	**1,188.96**	**(59.73)**	**322.35**
B) Cash Flow from Investing Activities :				
Purchase of Fixed Assets including of CWIP	(322.89)	(246.57)	(73.19)	(274.75)
Sales of Fixed Assets including of CWIP	0.10	1.40	2.10	-
Long term Investment made/Sold during the year	(81.41)	(399.59)	-	-
(Increase)/Decrease in Current Investment (Non-Operating)	-	-	-	-
Increase/(Decrease) in Long Term Loans and Advances	-	**(2.25)**	-	-
Interest Income	4.12	0.41	0.09	0.33
Net cash flow from investing activities B	**(400.09)**	**(646.60)**	**(71.01)**	**(274.41)**
C) Cash Flow from Financing Activities :				
Proceeds from Fresh Issue of Share Capital	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	(101.33)	(58.88)	209.83	-
Interim Dividend and Dividend Distribution Tax Paid				
Increase/(Decrease) in Long Term Borrowings	(38.33)	74.87	26.78	-
Interest Paid	(10.26)	(51.43)	(7.55)	-
Net cash flow from financing activities C	**(149.93)**	**(35.44)**	**229.06**	**-**
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	223.09	506.92	98.32	47.94
Cash equivalents at the beginning of the year	663.19	156.26	57.94	10.00
Cash equivalents at the end of the year	886.27	663.19	156.26	57.94

Notes :-	**November 30, 2023**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
1. Component of Cash and Cash equivalents				
Cash on hand	3.55	4.74	0.76	0.84
Balance With banks	882.72	658.45	155.50	57.10
	886.27	**663.19**	**156.26**	**57.94**

2. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS

A. BACKGROUND

Our Company was originally incorporated as a Private Limited Company under the name of "Sona Machinery Private Limited" on February 12, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on September 21, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from "Sona Machinery Private Limited" to "Sona Machinery Limited" vide a fresh certificate of incorporation Consequent upon conversion to public company dated October 17, 2023, issued by the Registrar of Companies, Delhi and bearing CIN U29256DL2019PLC345856.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL SATEMENTS

The Restated Statement of Assets and Liabilities of the Company as on November 30,2023, March 31, 2023, March 31, 2022, and March 31, 2021 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period/year ended on November 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 and the annexure 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 Section 133 read with Section 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 such 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

2. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, the results of operation during the reported period and disclosure of contingent liabilities as on the reporting date. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable and are in their best knowledge of current event and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the period in which the results are known or materialize. Significant estimates used by the management in the preparation of these financial statements include provision for employee benefits, estimates of the economic useful life of plant and equipment, provision for expenses, provisioning for taxation etc.

3. PROPERTY, PLANT AND EQUIPMENTS

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an property, plant and equipment comprises its purchase price, any costs directly attributable to bringing the property, plant and equipment into the location and condition necessary for it to be capable of operating in the manner intended by management.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

4. DEPRECIATION

The Company provides depreciation on items of property, plant and equipment on written down value method (WDV) based on useful life specified as below except intangible assets where Company follows AS -26 "Intangible Assets" and amortise the Intangible assets over useful life as mentioned below.

Asset	Useful Life (in years)
Plant & Machinery	15
Furniture & Fixtures	10
Motor Vehicle	10
Office Equipment	5
Computer & Accessories (including Server)	3
Intangible Assets	5 (SLM)

Depreciation amount for asset is the cost of an asset less its estimated residual value. In case of impairment, depreciation is provided on revised carrying amount over its remaining useful life.

5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. IMPAIRMENT OF ASSETS

The management assesses the carrying amount of plant and equipment and intangible asset at each balance sheet date to determine whether there is any indication of impairment based on internal/external resources. If any such indications exist, the recoverable amount of plant and equipment and intangible asset is estimated. An impairment loss is recognized wherever the carrying amount of an plant and equipment and intangible asset exceeds its recoverable amount. The recoverable amount is the greater of the plant and equipment and intangible assets, net selling price and value in use. An impairment loss is recognized in the statement of profit and loss in the year in which the plant and equipment and intangible asset is recognized as impaired.

7. 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.

8. INVENTORIES

Inventories comprising of raw materials, Work in progress and finished goods are valued at lower of cost or net realizable value. Cost here represents landed cost including custom duty in case of imports and is net of duty which is convertible or refundable. Cost of inventories is determined on FIFO basis. Net realizable value is the estimate of the selling price in the ordinary course of business less-further cost expected to be incurred for its completion and disposal.

9. REVENUE RECOGNITION

i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
ii) Revenue from sale of goods is recognized when the significant risk and rewards are transferred as per the terms of sale. Revenues are recorded at invoice value.
iii) Income in respect of interest, insurance claims, export benefits, subsidy etc. is recognized to the extent the company is reasonably certain of its ultimate realization.

10. FOREIGN CURRENCY TRANSACTION:

a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

b) Short term monetary items denominated in foreign currencies (such as cash, receivable, payable etc.) outstanding at the year end, are translated /re-converted at the year-end exchange rate unless covered by a forward contract.
c) Any gain or loss arising on settlement and / or translation of short term monitory transaction in foreign currency is accounted for in the statement of Profit and Loss.

11. EMPLOYEE BENEFITS

Defined-contribution plans:

i) The company does not carry forward the balance of earned leave balance of employees, balance earned leave is paid to the employees according to the policy of company.
ii) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation as at the date of the Balance Sheet.

12. LEASES

Where Company is lessee, the lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

13. SEGMENT ACCOUNTING

Business Segment

(a) The business segment has been considered as the primary segment.
(b) The Company’s primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
(c) The Company’s primary business includes manufacturing of equipments for Cleaning, Processing, Polishing and Packaging of Rice, Pulses, Wheat, etc. this is the only segment as envisaged in Accounting Standard 17 ‘Segment Reporting’ therefore disclosure for Segment reporting is not applicable.

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. Split in face value of equity share of company has been considered as if it took place at the beginning of restatement period.

17. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS

There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement, except - :

1) Accounting of retirement benefits was accounted on cash basis which is not as per AS-15 (Revised) "Employee benefits", however during the restatement Company has accounted such retirement benefits basis actuarial valuation certificate.
2) For Intangible Assets, Depreciation method changes from WDV to SLM as per AS -26 "Intangible Assets".
3) Office Equipment life has been considered as 5 years instead of 15 years as per the schedule II of Companies Act, 2013.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including other financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years**.**

2. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been reported to the extent of information memorandum received from the suppliers.

3. 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-:

(Amount in ₹ Lakhs)

Particulars	**30-11-2023**	**31-03-2023**	**31-03-2022**	**31-03-2021**
1.The amounts recognized in the Balance Sheet are as follows:				
Present value of unfunded obligations Recognized	35.94	37.48	8.68	2.14
Net Liability	35.94	37.48	8.68	2.14
2.The amounts recognized in the Profit & Loss A/c are as follows:				
Current Service Cost	14.44	28.80	6.71	2.14
Interest on Defined Benefit Obligation	2.11	-	0.16	-
Expected Return on Plan Assets	-	-	-	-
Net actuarial losses (gains) recognised in the year	(18.08)	-	(0.33)	-
Total, Included in "Salaries, Allowances & Welfare"	**(1.53)**	**28.80**	**6.54**	**2.14**
3.Changes in the present value of defined benefit obligation:				
Defined benefit obligation as at the beginning of the year/period Net of Fair Value of Opening Plan Assets	37.48	8.68	2.14	-
Service cost	14.44	28.80	6.71	2.14
Interest cost	2.11	-	0.16	-
Expected Return on Plan Assets	-	-	-	-

Particulars	30-11-2023	31-03-2023	31-03-2022	31-03-2021
Net actuarial losses (gains) recognised in the year	(18.08)	-	(0.33)	-
Benefit paid by the Company	-	-	-	-
Defined benefit obligation as at the end of the year/period	**35.94**	**37.48**	**8.68**	**2.14**
Benefit Description				
Benefit type:			Gratuity Valuation as per Act	
Retirement Age:	**60 years**	**No Disclosure**	**60 years**	**60 years**
Vesting Period:	**5 years**	**No Disclosure**	**5 years**	**5 years**
The principal actuarial assumptions for the above are:				
Future Salary Rise:	**7.00%P.A**	**No Disclosure**	**7.00%P.A**	**7.00%P.A**
Discount rate per annum:	**7.25%P.A**	**No Disclosure**	**7.50%P.A**	**7.50%P.A**
Attrition Rate:	5% Per Annum			

4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period except as mentioned in Annexure -AB, for any of the years covered by the statements.

5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – Y of the enclosed financial statements.

6. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: "Accounting for Taxes on Income" as at the end of the Period/ year is reported as under:

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Major Components of deferred tax arising on account of timing differences are:				
Timing Difference Due to Depreciation	28.80	21.98	10.07	11.22
Deferred Tax Assets/(Liabilities) (A)	7.25	5.53	2.54	2.82
Preliminary Exp written off Difference as per Income Tax & Co act	0.04	0.08	0.12	0.16
Deferred Tax Assets/(Liabilities) (B)	0.01	0.02	0.03	0.04
Provision of Gratuity as at the year end	35.94	37.48	10.57	-
Timing Difference Due to Gratuity Expenses	9.05	9.43	2.66	-
Deferred Tax Assets/(Liabilities) (C)	9.05	9.43	2.66	-
Opening Deferred Tax Liability	14.98	5.23	2.86	-
Cumulative Balance of Deferred Tax Assets/(Liability) (Net) (A+B+C)	**16.31**	**14.98**	**5.23**	**2.86**

7. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure –X of the enclosed financial statements.

8. Realizations:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these Restated financials has used internal and external sources on the expected future performance of the Company and management expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these restated Financials.

9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

10. Amounts in the financial statements

Amounts in the financial statements are reported in Indian Rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

11. Auditors Qualifications:

Details of Auditors qualifications and their impact on restated financial statement is given below.

a) Qualification which required adjustment in restated financial statements

Financial Year	Audit Qualifications	Remark
FY 2020-21	NIL	Not Applicable
FY 2021-22	NIL	
FY 2022-23	NIL	
For the period ended November 30,2023	NIL	

b) Qualification which does not require adjustment in restated financial statements – Details given below

Financial Year	Audit Qualifications	Management Reply
FY 2020-21	NIL	Not Applicable
FY 2021-22	NIL	Not Applicable
FY 2022-23	NIL	Not Applicable
For the period ended November 30, 2023	Company has not maintained the quantitative records of the inward and outward movement of Inventory and as explained the inventory has been valued basis of physical quantity available with the Company, therefore we are unable to quantify the impact of such limitation on valuation of Closing stock. Any possible impact on financials Statement cannot be ascertained in the absence of quantitative records of the Inventory.	Company is in process to implement SAP to record inventory movement in future.

ANNEXURE-V

MATERIAL ADJUSTMENTS [AS PER THE ICDR) REGULATION]

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 adjustments in the Financial Statements

Statement of Surplus in Profit and Loss Account

(Amount in Lakhs ₹)

Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Reserves and Surplus as per audited accounts but before adjustments for restated accounts:	783.82	1,121.03	353.18	23.79
Add: Cumulative Adjustment made in Statement of Profit and Loss Account	(13.66)	1.31	0.80	3.72
Total Net Adjustment in Profit and Loss Account	(13.66)	1.31	0.80	3.72
Reserves and Surplus as per Restated Accounts:	**770.16**	**1,122.34**	**353.98**	**27.51**

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.

(Amount in Lakhs ₹)

Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Profit/(loss) after Tax as per audited accounts but before adjustments for restated accounts:	662.79	767.85	329.39	24.09
Less: Excess/(Short) Provision for Gratuity as per AS -15(Revised)	-	(1.89)	4.03	(2.14)
Short/(Excess) Provision for Deferred Tax Assets	(0.00)	-	(5.65)	5.64
(Short)/Excess Provision for Income Tax	1.00	(5.94)	(8.32)	(0.40)
Prior period Expenses Restated - Bank Charges	-	-	0.01	(0.01)

Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Prior period Expenses Restated - Professional Fee	-	-	0.36	(0.36)
Prior period Expenses Restated - Purchases of Goods	-	0.92	(0.92)	-
Prior period Expenses Restated - Interest Expenses	-	0.02	(0.02)	-
Prior period Expenses Restated - Rates and taxes Recoverable from Directors	(4.82)	4.82	-	-
Software expenses restated in respective year	-	(3.06)	3.06	-
Short/(Excess) booking for Interest on Bond	(5.52)	5.52	-	-
Short/(Excess) Provision for Depreciation	(5.64)	0.12	4.53	0.98
Net Adjustment in Profit and Loss Account	**(14.97)**	**0.51**	**(2.92)**	**3.72**
Net Profit/(Loss) After Tax as per Restated Accounts:	**647.82**	**768.36**	**326.47**	**27.81**

a) Adjustment of Gratuity Expenses

Company had accounted gratuity on cash basis, 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. For More details, refer Annexure AA enclosed with the Restated Financial Statement.

d) Accounting of Interest on Bonds on Mercantile system of accounting

During the restatement, Company has observed that in FY 2022-23 Interest on Bond is not accounted on mercantile basis, therefore during the restatement income of ₹ 5.52 Lakhs has been accounted in the FY 2022-23, and necessary effect given in restatement.

e) Accounting of Amortization of Intangible assets

During the restatement, Company has observed that in Intangible Assets, depreciation was charged as per WDV method, which was changed into SLM method as per the AS 26 "Intangible Assets".

f) Change in Life of Office Equipment

During the restatement, Company has observed that office equipment was wrongly having estimated useful life of 15 years instead of 5 years, therefore during the restatement the effect of such change in life was calculated and necessary short/(Excess) depreciation effect given in respective year.

g) Accounting of Prior Period Expenses:

During the restatement of Expenses booking has been reconsidered basis of the year to which expenses is pertaining to and accordingly all prior period expenses has been charged to Restated Statement of Profit and Loss account of respective years. It also includes Bank Charges, Professional Fees, Purchases of Goods, Interest Expenses, Rates & Taxes-recoverable from Director, Software expenses etc.

For R K Jagetiya & CO.
Chartered Accountant
FRN:- 146264W

Sd/-
(Ravi Kant Jagetiya)
Proprietor
M. No. 134691
Place: Mumbai
Date: 19th February, 2024
UDIN: **24134691BKACYI5555**

ANNEXURE – A

RESTATED STANDALONE STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Share Capital				
Authorised Share Capital				
Equity shares of ₹10 each	1,50,00,000	1,00,000	1,00,000	1,00,000
Equity Share Capital in ₹	1,500.00	10.00	10.00	10.00
Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 10 each fully paid up-No.	1,01,00,000	1,00,000	1,00,000	1,00,000
Equity Share Capital (in ₹)	1,010.00	10.00	10.00	10.00
Total	**1,010.00**	**10.00**	**10.00**	**10.00**
Reserves and Surplus				
(A) Surplus in Profit and Loss account				
Opening Balance	**1,122.34**	**353.98**	**27.51**	**(0.30)**
Profit/(Loss) for the Period/Year	647.82	768.36	326.47	27.81
Less: Reduction on account of Bonus Issue	(1,000.00)	-	-	-
Closing Balance	**770.16**	**1,122.34**	**353.98**	**27.51**
(B) Security Premium	**-**	**-**	-	-
Balance as per last financial statement	-	-	-	-
Add: Increase During the year on Fresh Allotment	-	-	-	-
Deletion on account of Bonus Shares	**-**	**-**	**-**	**-**
Closing Balance	**-**	**-**	**-**	**-**
Total Reserve & Surplus	**770.16**	**1,122.34**	**353.98**	**27.51**

1. Terms/rights attached to equity shares:

(i) The company has only one class of equity shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, if any.

(ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) The company has issued 1,00,00,000 Bonus Shares on 13 September, 2023 in the ratio of 100:1 to existing shareholders.

(iv) Pursuant to shareholder's resolution dated 04th September, 2023 the authorized share capital of the company be increased from ₹ 10,00,000/- (Rupess Ten Lakhs only) divided in to 1,00,000 equity shares of ₹ 10/- each to ₹ 15,00,00,000 (Rupees Fifteen crore only) divided in to 1,50,00,000 equity shares of ₹ 10/- each ranking pari-passu with the existing share capital.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. Company does not have any Revaluation Reserve.
4. The reconciliation of the number of Equity shares outstanding as at:-

Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Number of shares (Face value ₹ 10) at the beginning	1,00,000	1,00,000	1,00,000	1,00,000
Add: Issue of Shares (Face value ₹ 10)	-	-	-	-
Add: Bonus Shares	1,00,00,000	-	-	-
Number of shares (Face value ₹ 10) at the end of Period/year	**1,01,00,000**	**1,00,000**	**1,00,000**	**1,00,000**

5. The detail of shareholders holding more than 5% of Total Equity Shares:-

Name of Shareholders	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Vasu Naren	90,90,000	30,000	30,000	30,000
Narender Kumar	7,07,000	70,000	70,000	70,000

6. Shares held by promoters at the end of the respective year is as under

6a) Shares held by promoters at the period ended 30th November, 2023

Promoter Name	No. of Shares (Face Value ₹ 10/- each)	% of total shares	% Change during the year
Vasu Naren	90,90,000	90.00%	60.00%
Shweta Baisla	3,02,996	3.00%	3.00%

6b) Shares held by promoters at the end of the year 31st March 2023

Promoter Name	No. of Shares (Face Value ₹ 10/- each)	% of total shares	% Change during the year
Vasu Naren	30,000	30.00%	0.00%
Shweta Baisla	-	0.00%	0.00%

6c) Shares held by promoters at the end of the year 31st March 2022

Promoter Name	No. of Shares (Face Value ₹ 10/- each)	% of total shares	% Change during the year
Vasu Naren	30,000	30.00%	0.00%
Shweta Baisla	-	0.00%	0.00%

6d) Shares held by promoters at the end of the year 31st March 2021

Promoter Name	No. of Shares (Face Value ₹ 10/- each)	% of total shares	% Change during the year
Vasu Naren	30,000	30.00%	0.00%
Shweta Baisla	-	0.00%	0.00%

ANNEXURE – B

RESTATED STANDALONE STATEMENT OF LONG TERM AND SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
(Secured)				
(a) Term loans				
From Bank & Financial Institutions	41.12	74.74	7.73	-
Sub-total (a)	**41.12**	**74.74**	**7.73**	**-**
(Unsecured)				
(b) Term loans				
From Bank & Financial Institutions	-	-	-	-
From Others	22.21	26.91	19.05	-
Sub-total (b)	22.21	26.91	19.05	-
(c) Loans and advances from related parties & shareholders (Unsecured)				
From Directors	-	-	-	-
From Relatives	-	-	-	-
From Body Corporate	-	-	-	-
Sub-total (c)	-	-	-	-
(d) Loans and advances from others (Unsecured)				
From Others	-	-	-	-
Sub-total (d)	**-**	**-**	**-**	**-**
Total (a+b+c+d)	**63.32**	**101.65**	**26.78**	**-**
Short Term Borrowings				
Secured				
Loan Repayable on Demand				
From Banks and Financial Institution	0.21	100.14	205.13	-
Sub-total (a)	**0.21**	**100.14**	**205.13**	**-**
Un-Secured				
Intercorporate Loan from related parties			-	-
Intercorporate Loan from other body corporate	-	-	-	-
Sub-Total (b)	-	-	-	-
Current Maturities of Long-Term Debt	49.41	50.80	4.70	-
Sub Total (c)	**49.41**	**50.80**	**4.70**	**-**
Total (a+b+c)	**49.62**	**150.94**	**209.83**	**-**

Note :

1. List of persons/entities classified as 'Promoters' and 'Promoter Group' 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.
2. The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A)
3. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B)

ANNEXURE – B(A)
RESTATED STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED TERMS LOANS AND ASSETS CHARGED AS SECURITY

(₹ in Lakhs)

Name of Lender	Purpose of Credit Facility	Sanctioned Amount	Rate of interest	Prime Securities offered	Re-Payment Schedule			Morato-rium (In Months)	Outstanding amount as on (as per Books)			
					No of EMI (No of Months)	EMI Amount	EMI Tenure (Years)		November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
HDFC Bank Limited-Kia Seltos	Auto Loan	12.66	7.65%	Hypothecation of car	36.00	0.39	3.00	NIL	4.91	7.73	11.71	-
HDFC Bank Limited-Baleno	Auto Loan	5.25	12.75%	Hypothecation of car	36.00	0.18	3.00	NIL	2.73	3.85	-	-
YES Bank Limited-Laser Machine	Machine Loan	57.48	10.33%	Hypothecation of Machine	36.00	1.86	3.00	NIL	34.07	46.14	-	-
YES Bank Limited-CNC Machine	Machine Loan	29.37	10.25%	Hypothecation of Machine	36.00	0.95	3.00	1	16.53	22.77	-	-
HDFC Bank Limited-Nexon	Auto Loan	10.35	8.70%	Hypothecation of car	39.00	0.31	3.25	NIL	-	8.46	-	-
YES Bank Limited-Kia Carnival	Auto Loan	29.53	8.99%	Hypothecation of car	60.00	0.61	5.00	NIL	24.53	27.83	-	-
Total									**82.77**	**116.78**	**11.71**	**-**

Note: 1. The above in backed by personal guarantee of Mr. Vasu Naren and Narender Kumar

ANNEXURE – B(B)
RESTATED STANDALONE STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/ Promoters/ Promoter Group/ Associates/ Relatives of Directors/ Group Companies/ other entities

Unsecured Loans from Promoters/ Directors are interest free and all are taken without any preconditions attached towards repayments.

(₹ in Lakhs)

Name of Lender	Purpose	Sanctioned Limit	Rate of interest	Re-Payment Schedule	Morato rium	Outstanding amount as at			
						November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Fedbank Financial Services Ltd.	Business Loan	22.08	15.98%	Repayable in 36 EMI of ₹ 0.91 Lakhs from July 22 to June 23, ₹ 0.86 Lakhs from July 23 to June 24, ₹ 0.49 Lakhs from July 24 to June 25	NIL	10.72	16.27	-	-
YES Bank Limited - Term Loan#	Business Loan	20.00	11.73%	Repayable in 238 EMI of ₹ 0.21 Lakhs starting from Nov 21 to August 2041	NIL	19.24	19.40	19.77	-
Yes Bank - Dropline Overdraft Facility (Secured against Property of Director)	Business Loan	210.00	YBL+4.75%	Repayable in 180 EMI of ₹ 1.17 Lakhs starting from Oct 21 to September 2035	NIL	0.21	100.14	205.13	-
Total						**30.17**	**135.81**	**224.90**	**-**

 # Loan is Secured against mortgage of personal property of the Director.

ANNEXURE – B1

RESTATED STANDALONE STATEMENT OF OTHER LONG-TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
None	-	-	-	-
Total	**-**	**-**	**-**	**-**

ANNEXURE – C

RESTATED STANDALONE STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Major Components of deferred tax arising on account of timing differences are:				
Timing Difference Due to Depreciation	28.80	21.98	10.07	11.22
Deferred Tax Assets/(Liabilities) (A)	7.25	5.53	2.54	2.82
Prelimnary Exp written off Difference as per Income Tax & Company act	0.04	0.08	0.12	0.16
Deferred Tax Assets/(Liabilities) (B)	0.01	0.02	0.03	0.04
Provision of Gratuity as at the year end	35.94	37.48	10.57	-
Timing Difference Due to Gratuity Expenses	9.05	9.43	2.66	-
Deferred Tax Assets/(Liabilities) (C)	9.05	9.43	2.66	-
Opening Deferred Tax Liability	14.98	5.23	2.86	-
Cumulative Balance of Deferred Tax Assets/(Liability) (Net) (A+B+C)	**16.31**	**14.98**	**5.23**	**2.86**

ANNEXURE – D

RESTATED STANDALONE STATEMENT OF LONG-TERM PROVISIONS

₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Provision for Employee Benefits				
Provision for Gratuity	35.55	37.48	8.59	2.13
Others	-	-	-	-
Total	**35.55**	**37.48**	**8.59**	**2.13**

ANNEXURE – E

RESTATED STANDALONE STATEMENT OF TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Trade Payables				
For Goods & Services				
Micro, Small and Medium Enterprises	759.97	265.44	-	-
Others	644.41	641.69	538.48	514.38
Total	**1,404.38**	**907.13**	**538.48**	**514.38**
Trade Payable Includes Dues to Related Party	-	-	-	-

Notes:

a. 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.

b. Ageing of the Supplier, alog-with 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 age-wise supplier balance is given below after considering from the date of transactions.

Trade Payables ageing schedule: As at 30th November, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	759.97	-	-	-	759.97
(ii) Others	643.21	0.21	1.00	-	644.41
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule: As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	265.44	-	-	-	265.44
(ii) Others	640.69	1.00	-	-	641.69
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule: As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	500.92	37.56	-	-	538.48
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule: As at 31st March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	514.38	-	-	-	514.38
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

ANNEXURE – F

RESTATED STANDALONE STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Other Current Liabilities				
Accured Interest but not due	0.66	0.90	0.19	-
Statutory Payables	19.86	48.86	10.98	3.72
Advances Received from Customers	588.68	201.83	199.54	134.54
Provision for expenses	96.95	3.24	15.65	5.34
Total	**706.16**	**254.84**	**226.36**	**143.60**
Short Term Provisions				
Provision for Employee Benefits	18.35	127.23	53.17	29.41
Provision for Gratuity	0.39	-	0.09	0.02
Other Provisions	23.71	7.99	7.75	2.05
	42.45	**135.22**	**61.00**	**31.48**
Other Provisions				
Income tax Provisions net of Advance tax and TDS	129.67	138.59	81.56	3.11
Total	**172.12**	**273.82**	**142.56**	**34.59**

ANNEXURE – G

RESTATED STANDALONE STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

FY 2020-21

(₹ in Lakhs)

S. No.	Assets	Gross Block				Accumulated Depreciation/ Amortisation					Net Block	
		Balance as at 1st April 2020	Additions during the year	Deletion during the year	Balance as at 31st March 2021	Balance as at 1st April 2020	Provided during the year	Deletion / adjustments during the year	Written off from retained earning	Balance as at 31st March 2021	Balance as at 31st March 2021	Balance as at 31st March 2020
A	**Tangible assets**											
	Own Assets											
1	Plant & Machinery	-	194.71	-	194.71	-	7.23			7.23	187.48	0.00
2	Furniture & Fixtures	-	19.10	-	19.10	-	0.94			0.94	18.16	0.00
3	Motor Vehicle	-	-	-	-	-	-			0.00	0.00	0.00
4	Office Equipment	-	8.34	-	8.34	-	0.69			0.69	7.64	0.00
5	Computer & Accessories	-	19.09	-	19.09	-	2.11			2.11	16.98	0.00
	Total (A)	**0.00**	**241.24**	**0.00**	**241.24**	**0.00**	**10.97**	**0.00**	**0.00**	**10.97**	**230.27**	**0.00**
B	**Intangible Assets - Softwares**	-	33.51	-	33.51	-	1.02			1.02	32.49	0.00
	Total (A+B)	**0.00**	**274.75**	**0.00**	**274.75**	**0.00**	**11.99**	**0.00**	**0.00**	**11.99**	**262.76**	**0.00**

FY 2021-22

(₹ in Lakhs)

S. No.	Assets	Gross Block				Accumulated Depreciation/ Amortisation					Net Block	
		Balance as at 1st April 2021	Additions during the year	Deletion during the year	Balance as at 31st March 2022	Balance as at 1st April 2021	Provided during the year	Deletion / adjustments during the year	Written off from retained earning	Balance as at 31st March 2022	Balance as at 31st March 2022	Balance as at 31st March 2021
A	**Tangible assets**											
	Own Assets											
1	Plant & Machinery	194.71	33.93	2.48	226.17	7.23	36.38	0.38		43.22	182.94	187.48
2	Furniture & Fixtures	19.10	3.48	-	22.58	0.94	5.25			6.19	16.39	18.16
3	Motor Vehicle	-	17.32	-	17.32	-	1.83			1.83	15.49	0.00
4	Office Equipment	8.34	8.43	-	16.77	0.69	6.05			6.75	10.02	7.64
5	Computer & Accessories	19.09	4.79	-	23.88	2.11	11.84			13.94	9.94	16.98
	Total (A)	**241.24**	**67.96**	**2.48**	**306.72**	**10.97**	**61.35**	**0.38**	**0.00**	**71.93**	**234.78**	**230.27**
B	**Intangible Assets-Softwares**	33.51	5.23	-	38.75	1.02	6.68			7.70	31.05	32.49
	Total (A+B)	**274.75**	**73.19**	**2.48**	**345.46**	**11.99**	**68.03**	**0.38**	**0.00**	**79.63**	**265.83**	**262.76**

FY 2022-23

(₹ in Lakhs)

S. No.	Assets	Gross Block				Accumulated Depreciation/ Amortisation					Net Block	
		Balance as at 1st April 2022	Additions during the year	Deletion during the year	Balance as at 31st March 2023	Balance as at 1st April, 2022	Provided during the year	Deletion / adjustments during the year	Written off from retained earning	Balance as at 31st March 2023	Balance as at 31st March 2023	Balance as at 31st March 2022
A	**Property, Plant and Equipment**											
	Own Assets											
1	Plant & Machinery	226.17	157.87	0.83	383.21	43.22	48.88	0.17	0.00	91.94	291.27	182.94
2	Furniture & Fixtures	22.58	4.55	0.00	27.12	6.19	4.76	0.00	0.00	10.95	16.17	16.39
3	Motor Vehicle	17.32	64.52	0.00	81.84	1.83	11.74	0.00	0.00	13.57	68.27	15.49
4	Office Equipment	16.77	4.40	0.00	21.16	6.75	5.54	0.00	0.00	12.28	8.88	10.02
5	Computer & Accessories	23.88	13.50	2.95	34.43	13.94	9.89	2.12	0.00	21.71	12.72	9.94
	Total (A)	**306.72**	**244.82**	**3.77**	**547.76**	**71.93**	**80.80**	**2.29**	**0.00**	**150.45**	**397.31**	**234.78**
B	**Intangible Assets - Softwares**	38.75	1.75	0.00	40.50	7.70	**7.62**	0.00	0.00	15.32	25.17	31.05
	Total (A+B)	**345.46**	**246.57**	**3.77**	**588.26**	**79.63**	**88.42**	**2.29**	**0.00**	**165.77**	**422.49**	**265.83**

For the Period ended November 30, 2023

(₹ in Lakhs)

S. No.	Assets	Gross Block				Accumulated Depreciation/ Amortisation					Net Block	
		Balance as at 1st April 2023	Additions during the Period	Deletion during the Period	Balance as at 30th November 2023	Balance as at 1st April 2023	Provided during the period	Deletion / adjustments during the Period	Written off from retained earning	Balance as at 30th November 2023	Balance as at 30th November 2023	Balance as at 31st March 2023
A	**Property, Plant and Equipment**											
	Own Assets											
1	Plant & Machinery	383.21	264.51	15.78	631.94	91.94	35.79	6.25	0.00	121.47	510.46	291.27
2	Furniture & Fixtures	27.12	8.77	1.84	34.06	10.95	3.28	0.96	0.00	13.27	20.79	16.17
3	Motor Vehicle	81.84	18.60	0.00	100.43	13.57	13.06	0.00	0.00	26.63	73.81	68.27
4	Office Equipment	21.16	14.69	0.03	35.82	12.28	3.50	0.01	0.00	15.77	20.05	8.88
5	Computer & Accessories	34.43	11.91	0.39	45.95	21.71	7.93	0.35	0.00	29.29	16.66	12.72
	Total (A)	**547.76**	**318.48**	**18.04**	**848.20**	**150.45**	**63.56**	**7.57**	**0.00**	**206.44**	**641.76**	**397.31**
B	**Intangible Assets - Softwares**	40.50	4.41	0.18	44.73	15.32	5.30	0.08	0.00	20.54	24.18	25.17
	Total (A+B)	**588.26**	**322.89**	**18.22**	**892.93**	**165.77**	**68.87**	**7.66**	**0.00**	**226.98**	**665.95**	**422.49**

ANNEXURE – H

RESTATED STANDALONE STATEMENT OF NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Non Current Investment (At Cost)				
Fixed Deposit	81.00	-	-	-
Investments in Funds	400.00	200.00	-	-
(YSL Alternates Alpha Plus Fund - Class A1)				
Investments in debentures or bonds	-	199.59	-	-
Total	**481.00**	**399.59**	**-**	**-**
Aggregate amount of quoted investments and market value thereof	**414.89**	**206.08**	**-**	**-**
Aggregate amount of unquoted investments	81.00	199.59	-	-
Aggregate provision made for diminution in value of investments	-	-	-	-

Notes:

1. Fixed Deposits are under lien against BG Issued by the Banks.

ANNEXURE – I

RESTATED STANDALONE STATEMENT OF LONG-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Unsecured, Considered Good unless otherwise stated				
Security Deposit	2.25	2.25	-	-
Total	**2.25**	**2.25**	**-**	**-**

Notes:

1. The Company has not given any loans and advances to promoters, Directors, KMP's and other related parties during the above period.

ANNEXURE – J

RESTATED STANDALONE STATEMENT OF CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
None		-	-	-
Total	**-**	**-**	**-**	**-**
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	-	-	-	-
Aggregate provision made for diminution in value of investments	-	-	-	-

ANNEXURE – K

RESTATED STANDALONE STATEMENT OF INVENTORIES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Raw Materials	669.92	413.20	139.52	32.21
Work in Progress	21.07	31.79	20.54	75.93
Finished Goods	261.81	81.89	30.08	55.98
Total	**952.80**	**526.88**	**190.15**	**164.13**

Note-: 1. Inventory has been physically verified by the management of the Company at the end of respective period/year.

ANNEXURE – L

RESTATED STANDALONE STATEMENT OF TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Outstanding for a period exceeding six months (Unsecured and considered Good)				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	237.71	291.95	101.12	-
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	501.61	309.13	338.71	114.31
Trade Receivable Considered doubtful and provision made	14.95	7.03		
Total	**724.37**	**594.05**	**439.83**	**114.31**

1. 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.
2. Ageing of the Trade receivable, alogwith 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 Receivables ageing schedule as at 30th November 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables -considered good	501.61	63.52	167.02	7.17	-	739.32
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	14.95	-	14.95

Trade Receivables ageing schedule as at 31st March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables -considered good	309.13	198.07	91.33	2.55	-	601.08
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	7.03	-	-	7.03

Trade Receivables ageing schedule as at 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables -considered good	338.71	90.98	10.13	-		439.83
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables -considered good	114.31	-	-	-	-	114.31

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

ANNEXURE – M

RESTATED STANDALONE STATEMENT OF CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements)				
Balances with Banks in Current Accounts	681.92	607.26	154.32	57.10
Cash on Hand (As certified and verified by Management)	3.55	4.74	0.76	0.84
Other Bank Balance- Fixed Deposits	200.80	51.19	1.17	-
Total	**886.27**	**663.19**	**156.26**	**57.94**

1. Fixed Deposit having maturities less than 3 months consider in other Bank Balances

ANNEXURE – N

RESTATED STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Unsecured, Considered Good unless otherwise stated				
Security Deposit	28.13	0.43	0.30	0.30
Advance for Purchase of Land	150.00	-	-	-
Advances to Vendors	174.13	18.07	33.44	6.39
Balance With Revenue Authorities	10.21	147.74	411.74	121.29
Loans and Advances to Employees	30.72	5.66	-	0.93
Prepaid Expenses	31.65	49.00	13.81	1.29
Other Loans and Advances	-	0.35	-	-
Total	**424.84**	**221.24**	**459.29**	**130.20**

1. 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.
2. The Company has not given any loans and advances to promoters, Directors, KMP's and other related parties during the above period.

ANNEXURE – O

RESTATED STANDALONE STATEMENT OF OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Accrued Interest on Bond	3.66	3.18	-	-
Fixed Deposits with Bank (maturity for 3 months to 12 months)	32.86			
Interest Receivable on Bond	-	5.52	-	-
Rates and taxes Recoverable from Director	-	4.82	-	
IPO Related Exp	21.00			
Total	**57.52**	**13.52**	**-**	**-**

ANNEXURE – P

RESTATED STANDALONE STATEMENT OF TURNOVER

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
(i) turnover of products manufactured by the issuer (net of excise Duty)	6,274.56	8,087.70	4,434.17	604.19
(ii) turnover of products traded in by the issuer; and				
*(iii) turnover in respect of products not normally dealt in by the issuer but included in (ii) above	-	-	-	-
(iv) turnover in respect of Services supplied by the issuer	0.72	8.93	17.42	-
Total	**6,275.28**	**8,096.63**	**4,451.59**	**604.19**

**As per information provided to us by the Issuer, there is no such item.*

ANNEXURE – Q

RESTATED STANDALONE STATEMENT OF OTHER NON-OPERATING INCOME

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Related and Recurring Income:				
Interest Income on FD	4.12	0.41	0.09	0.33
Duty Drawback	0.23	2.61	1.39	0.00
Advance Forfeited	2.93	2.80	-	-
Prior Period Income	-	-	-	-
Income on sale of RODTEP	1.59	0.00	0.00	0.00
Sub Total (a)	**8.87**	**5.82**	**1.48**	**0.33**
Non related and Non Recurring Income:				
Miscellaneous Income	0.22	0.13	0.00	1.81
Interest Income on Bond	3.74	5.52	0.00	0.00
Sub Total (b)	**3.96**	**5.65**	**-**	**1.81**
Related and Non Recurring Income:				
Creditors written back	0.00	9.97	0.00	0.00
Sub Total (c)	**-**	**9.97**	**-**	**-**
Total (A+b+C)	**12.83**	**21.43**	**1.48**	**2.14**
% of Other Income with Profit Before Tax	1.47%	2.02%	0.32%	7.02%

a. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE – R

RESTATED STANDALONE SATATMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Cost of Goods Sold				
Opening Stock of Raw Material	413.20	139.52	55.98	-
Add: Purchases of Raw Material	4,056.13	5,399.85	2,990.40	581.15
Less: Closing Stock of Raw Material	669.92	413.20	139.52	32.21
Total	**3,799.42**	**5,126.18**	**2,906.86**	**548.93**
Purchase of Stock in Trade				
Purchase of Stock in Trade	118.45	-	-	-
Total	**118.45**	**-**	**-**	**-**

ANNEXURE – S

RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Closing Inventories				
Work in Progress	21.07	31.79	20.54	75.93
Finished goods	261.81	81.89	30.08	55.98
Sub Total (A)	**282.88**	**113.68**	**50.62**	**131.91**
Opening Inventories				
Work in Progress	31.79	20.54	75.93	-
Finished goods	81.89	30.08	32.21	-
Sub Total (B)	**113.68**	**50.62**	**108.14**	**-**
Changes in Inventories	**(169.20)**	**(63.06)**	**57.52**	**(131.91)**

a. The Inventory has been physically verified on periodic basis by the management.

ANNEXURE –T

RESTATED STANDALONE STATEMENT OF EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Salary and Wages	793.85	820.78	425.81	78.08
Contribution to Provident Fund and Other Fund	40.80	75.39	30.30	6.45
Staff Welfare Expenses	39.34	46.71	10.74	3.56
Total	**873.99**	**942.88**	**466.84**	**88.09**

ANNEXURE – U

RESTATED STANDALONE STATEMENT OF FINANCE COST

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Interest expenses	9.86	29.64	4.80	-
Interest Payable on shortfall in advance tax	-	10.59	1.38	-
Other Borrowing cost	0.40	11.20	1.37	-
Total	**10.26**	**51.43**	**7.55**	**-**

ANNEXURE – V

RESTATED STANDALONE STATEMENT OF DEPRECIATION & AMORTISATION

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Depreciation and Amortization Expenses	68.87	88.42	68.03	11.99
Total	**68.87**	**88.42**	**68.03**	**11.99**

ANNEXURE – W

RESTATED STANDALONE STATEMENT OF OTHER EXPENSES

(₹ in Lakhs)

Particulars	for the Period/Year ended on			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Rent	57.99	43.09	39.20	4.83
Insurance Expenses	1.16	2.19	0.10	-

Particulars	for the Period/Year ended on			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Freight	73.25	78.59	55.22	6.65
Software Exp	64.10	49.63	23.42	-
Travelling Expenses	133.84	96.94	48.82	6.30
Job Work Charges	23.27	24.22	4.91	-
Commission and Brokerage Expenses	50.15	208.75	78.57	-
Miscellaneous Expenses	309.95	409.50	237.77	40.89
Total	**713.72**	**912.92**	**488.00**	**58.67**
Miscellaneous Expenses				
Selling and Administrative Expenses				
Advertising Expenses	47.36	76.48	17.08	1.87
Audit Fees	6.25	1.25	1.00	0.25
Bad Debts	-	15.10	16.88	-
Bad Debts Provision expense account	7.93	7.03	-	-
Bank Charges	2.80	0.80	0.48	0.02
Boarding & Loading	-	-	-	3.72
Car Running and Maintenance Expenses	5.16	9.77	3.34	-
Communication Expenses	4.70	5.17	2.79	0.34
Computer Repair and AMC Services	3.99	5.78	4.53	0.58
Conveyance	2.86	2.24	1.19	1.12
Courier Charges	1.60	4.19	7.34	1.49
Discount Exp	0.00	12.95	19.83	3.01
Donation	5.50	0.23	-	-
Electricity Charges	55.20	63.65	37.79	6.18
Export & Import Exp	7.72	21.41	2.69	-
Factory Expenses	19.60	40.96	20.60	-
Foreign Exchange Loss/(Gain)	0.88	4.61	0.76	-
Fuel Expenses	7.55	9.84	15.92	1.20
Legal & Professional Charges	33.25	37.22	21.64	3.18
Loading & Unloading Charges	6.31	7.87	5.22	0.19
Loss on Sales of Fixed Assets	10.47	0.09	-	-
Loss on Sale of Investment	3.06	-	-	-
Man power Supply Exp	-	-	16.93	5.20
Office Expenses	4.04	7.22	2.95	0.99
Other Expenses	11.10	7.09	1.70	4.47
Printing & Stationary	4.76	4.56	6.45	0.62
Rates & Taxes	-	3.01	0.80	-
Recruitment Expenses	1.36	4.52	3.47	0.26
Repairs	37.90	15.16	24.66	3.00
Security Guard Service	10.41	10.91	-	-
Subscription Charges	7.38	2.10	1.73	3.01
Sundry Balances Written off	-	25.04	-	0.20
Website Maintenance Expenses	0.84	3.25	-	-
Sub Total	**309.95**	**409.50**	**237.77**	**40.89**

ANNEXURE – X

RESTATED STANDALONE STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amount in Lakhs ₹ Except Per Share Data)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Net Worth (A)	1,780.16	1,132.34	363.98	37.51
Restated Profit after tax	647.82	768.36	326.47	27.81
Less: Prior Period Item	-	-	-	-
Adjusted Profit after Tax (B)	647.82	768.36	326.47	27.81
Number of Equity shares (Face Value ₹ 10) outstanding as on the of Year	1,01,00,000	1,00,000	1,00,000	1,00,000

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Weighted Average Number of Equity shares (Face Value ₹ 10) (c)	1,01,00,000	1,00,000	1,00,000	1,00,000
Weighted Average Number of Equity shares (Face Value ₹ 10) after considering Bonus Issue of Shares (D)	1,01,00,000	1,01,00,000	1,01,00,000	1,01,00,000
Current Assets (E)	3,045.80	2,018.89	1,245.52	466.58
Current Liabilities (F)	2,332.27	1,586.73	1,117.23	692.57
Face Value per Share (Refer Note 6 below)	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earning Per Share (₹) (B/D) (After Bonus)	6.41	7.61	3.23	0.28
Return on Net worth (%) (B/A)	36.39%	67.86%	89.70%	74.14%
Net asset value per share (A/C) (Face Value of ₹ 10 Each) Based on actual number of shares	17.63	1,132.34	363.98	37.51
Net asset value per share (A/D) (Face Value of ₹ 10 Each) Based on number of shares after bonus	17.63	11.21	3.60	0.37
Current Ratio (E/F)	1.31	1.27	1.11	0.67
Restated Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	948.35	1,196.15	535.79	40.40

Note:

1) The ratios have been computed as below:
   (a) Basic earnings per share (₹): Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
   (b) Diluted earnings per share (₹): Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
   (c) Return on net worth (%): Net profit after tax (as restated) / Net worth at the end of the period or year
   (d) Net assets value per share: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
   (e) EBITDA has been calculated as Profit before Tax+ Depreciation+ Interest Expenses
2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
3) Net worth for ratios mentioned is equals to Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
4) The figures disclosed above are based on the standalone restated summary statements.
5) (i). Pursuant to shareholder's resolution dated 04th September, 2023 the authorized share capital of the company be increased from ₹10,00,000/- (Rupess Ten Lakhs only) divided in to 1,00,000 equity shares of ₹ 10/- each to ₹15,00,00,000 (Rupees Fifteen crore only) divided in to 1,50,00,000 equity shares of ₹ 10/- each ranking pari-passu with the existing share capital.

ANNEXURE – Y

RESTATED STATEMENT OF RELATED PARTY TRANSACTION

Particulars	Names of related parties	Nature of Relationship
Directors and Key Management Personnel (KMP)	Vasu Naren	Managing Director & Chairman
	Shweta Baisla	WTD and CFO
	Narender Kumar	Non-Executive Director (Cessation w.e.f., 20th January 2024)
	Supriya	CS (Appointed w.e.f. 13-09-2023)
	Naman Jain	Non-Executive Director (Appointed w.e.f., 06th November 2023)
	Preet Kumar	Non-Executive Director (Appointed w.e.f., 06th November 2023)
	Akash Kumar Bansal	Non-Executive Director (Appointed w.e.f., 20th January 2024)
Enterprises in which KMP/Relatives of KMP can exercise significant influence	CAN Engineering Solutions Pvt Ltd	Vasu Naren is holding 50% of Equity Shareholding in the Company.
	Sona Foods	Proprietorship firm of Narender Kumar
	Abbstem Technologies LLP	Narender Kumar is holding 30% of equity share in the LLP
	Cartel IT Solutions Private Limited	Abbstem Technlogies LLP holds 70% of Equity shareholding of the Company.
	Abbstem Industrial Solutions Private Limited	Narender Kumar is holding 1/3rd of Equity Shareholding in the Company.

(₹ in Lakhs)

Particulars		November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
(i) Transactions with Director in KMP					
1	**Mr. Narender Kumar**				
	Director Remuneration given	-	4.00	24.00	6.00
	Reimbursement of Expenses/Statutory Payment	0.95	4.82	0.28	
2	**Mr. Vasu Naren**				
	Director Remuneration given	46.84	87.47	25.36	4.50
	Reimbursement of Expenses/Statutory Payment	21.22	16.83	31.95	4.22
3	**Mrs. Shweta Baisla**				
	Director Remuneration/Salary given	14.01	9.20	9.00	-
	Reimbursement of Expenses/Statutory Payment	3.12	4.24	34.69	
(ii) Transactions with Relatives of KMP					
4	**M/s CAN Engineering Solutions Pvt Ltd**				
	Goods Supplied by Company- Sales	249.99	391.50	-	-
	Advance Received	-	-	(35.00)	-
	Reimbursement of Expenses	-	-	-	-
	Closing Balance (dr/(cr))	76.33	(2.15)	(35.00)	-
5	**M/s Sona Foods**				
	Purchase of Goods/Fixed Asset by the Company	-	-	-	394.21
	Goods Supplied by Company- Sales	-	-	19.15	-
	Deposit given for Leased Premises	20.00	-	-	-
	Rent Paid by the Company	24.00	36.00	36.00	4.50
	Closing Balance (dr/(cr))	(6.48)	(3.24)	(33.50)	(263.44)
6	**M/s Absstem Technologies LLP**				
	Purchase of Goods by the Company	-	-	8.40	-
	Goods Supplied / Purchased by Company- Sales	-	-	-	-
	Closing Balance (dr/(cr))	-	-	-	-

1. List of Related parties has been identified by the management and relied upon by the Auditor.
2. In case there is no transaction with any of the above related parties, only name of such related parties has been disclosed as required by AS- 18.

ANNEXURE – Z

RESTATED STANDALONE STATEMENT OF CAPITALISATION

(₹ in Lakhs)

Particulars	Pre Issue	Post Issue*
	30-11-23	
Debt		
Short Term Debt	0.21	*
Long Term Debt	112.73	*
Total Debt	**112.94**	*****
Shareholders' Fund (Equity)		
Share Capital	1,010.00	*
Reserves & Surplus	770.16	*
Less: Miscellaneous Expenses not w/off	-	*
Total Shareholders' Fund (Equity)	1,780.16	*
Long Term Debt/Equity	0.06	*
Total Debt/Equity	0.06	*

Notes:

a. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
b. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
c. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/11/2023.

** The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.*

ANNEXURE – AA

RESTATED STANDALONE STATEMENT OF TAX SHELTER

(₹ in Lakhs)

Particulars		for the period/year ended on			
		November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
A	Profit before taxes as restated	872.59	1,059.29	458.27	30.55
B	Tax Rate Applicable %	25.17	25.17	25.17	25.17
C	Tax Impact (A*B)	219.61	266.60	115.34	7.69
	Adjustments:				
D	**Permanent Differences**				
	Disallowance under Section 36	0.18	22.73	3.04	-
	Disallowance under section 37	25.13	20.88	0.09	-
	Disallowance under section 40		10.59	0.08	-
	Other Disallowances		-	0.37	-
	Expenses disallowed -ROC exp & Stamp Duty On Increase Authorised Share Capital	-	-	-	-
	Total Permanent Differences	**25.31**	**54.20**	**3.58**	**-**
E	**Timing Difference**				
	Difference between tax depreciation and book depreciation	2.00	11.70	16.77	(12.20)
	Preliminary Expenses Written off	(0.04)	(0.04)	(0.04)	0.16
	Expenses Disallowed Under Section 43 B - Gratuity	(1.53)	28.80	6.54	2.14
	Expenses Disallowed Under Section 43 B (Audited)			14.00	
	Total Timing Differences	**0.43**	**40.45**	**37.26**	**(9.90)**
	Set off of Brought Forward Losses	-	-	-	(0.30)
F	Net Adjustment (F) = (D+E)	25.73	94.65	40.84	(10.20)
G	Tax Expenses/ (Saving) thereon (F*B)	6.48	23.82	10.28	(2.57)
H	Tax Liability, After Considering the effect of Adjustment (C +G)	226.09	290.42	125.62	5.12
I	Book Profit as per MAT *	NA	NA	NA	NA
J	MAT Rate	NA	NA	NA	NA
K	Tax liability as per MAT (I*J)	NA	NA	NA	NA
L	Current Tax being Higher of H or K	226.09	290.42	125.62	5.12
M	Interest U/s 234A, B and C of Income Tax Act	-	10.26	8.54	0.49
N	Total Tax expenses (L+M+N)	226.09	300.68	134.16	5.61
P	Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Normal	Normal	Normal	Normal

** MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act,1961*

Notes:

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns/Provisional computation of total income of respective years as stated above.

ANNEXURE – AB

RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	As at			
	November 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Contingent liabilities in respect of:	-	-	-	-
Claims against the company not acknowledged as debts	-	-	-	-
Guarantees given on Behalf of the Company	106.53	-	-	-
Pending Capital Commitment towards land purchase	1,350.00	-	-	-
Traces Defaults	0.04	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-	-
Total	**1,456.57**	**-**	**-**	**-**

ANNEXURE – AC

RESTATED STANDALONE STATEMENT OF OTHER FINANCIAL RATIO

Sr. No.	Ratio	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	Variance Nov 23v/s Mar 23	Variance Mar 23v/s Mar 22	Variance Mar 22v/s Mar 21	Reason for Variance above 25%
1	Current Ratio (No of Times)	1.31	1.27	1.11	0.67	3%	14%	65%	Increased profit and further higher level of inventory and trade receivable resulted in Variance
2	Debt Equity Ratio (No of Times)	0.06	0.22	0.65	-	(72%)	(66%)	0%	Increased profit and decrease in Debt
3	Debt Service Coverage Ratio (No of Times)	12.40	8.67	32.60	NA	43%	(73%)	0%	
4	Return On Equity Ratio (%)	44.49%	102.70%	162.63%	117.81%	(57%)	(37%)	38%	Due to Increase in Networth not supported with same ROCE Ratio.
5	Inventory Turnover Ratio (In Days)	48	26	22	72	86%	18%	(70%)	Holding level of inventory not in proportion to increase in sales
6	Trade Receivable Turnover Ratio (In Days)	26	23	23	35	10%	3%	(34%)	Improvement in Credit period of Customer vis-à-vis sales achieved
7	Trade Payable Turnover Ratio (In Days)	68	49	64	162	38%	(24%)	(60%)	Improvement in Credit period from Vendor vis-à-vis purchases made.
8	Net Capital Turnover Ratio (No of Times)	10.95	28.89	(91.14)	(5.59)	(62%)	(132%)	1531%	Reduced churning of Average working capital as compared to previous years.
9	Net Profit Ratio (%)	10.32%	9.49%	7.33%	4.60%	9%	29%	59%	Change in profitability of Company
10	Return On Capital Employed (%)	46.61%	79.39%	77.33%	81.47%	(41%)	3%	(5%)	Due to Increase in Net worth and comparatively less increase in profit
11	Return On Investment/Total Assets (%)	15.38%	26.88%	21.53%	3.80%	(43%)	25%	467%	

Except Ratio Sr. No 5,6, and 7, Ratio for the period ended 31str August, 2023 is not annualized

Note:

Details of numerator and denominator for the above ratio are as under

(1) Current Ratio = Current Assets / Current Liabilities.

(2) Debt- equity ratio = Total debt / Shareholders' equity.

(3) Debt service coverage ratio = EBITDA/(Principal + Interest).

(4) Return on equity ratio= Net profit after taxes / Avg Shareholder's Equity.
(5) Inventory turnover ratio=Cost of goods sold or sales/Average inventory.
(6) Trade receivables turnover ratio= Revenue from Operations /Average trade receivables.
(7) Trade payables turnover ratio=Purchase/Average trade payables.
(8) Net Capital turnover ratio=Net sales/Average working capital.
(9) Net profit ratio=Net profit after taxes/Total Revenue.
(10) Return on capital employed=Earnings before interest and taxes/Capital employed.
(11) Return on investment/Total Assets=PAT/Total Assets.

ANNEXURE – AD

Other Notes-

1. The title deeds of all immovable properties are held in the name of the Company. Accordingly, there are no Immovable Properties which were not held in name of the Company as on 30th November, 2023.
2. The Company has borrowings from Banks and Financial Institutions on the basis of securities of Current Assets. Since the Borrowing limit is below the threshold limit of 500.00 Lakhs, therefore there is no disclosure about the comparison of Quarterly Statements submitted to Bank vis-à-vis Books of accounts of restatement period.
3. The Company has not utilised the borrowings received from banks and financial institutions for the purpose other than for which it was taken during the period of restatement.
4. Breakup of Amount Paid to Auditors is as under-

(₹ in Lakhs)

Particulars	**November 30, 2023**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Audit Fees	6.25	0.75	0.50	0.25
Taxation	0.00	0.50	0.50	0.00
Certificates/ Other services	0.00	0.00	0.00	0.00
Reimbursement of Expenses	0.00	0.08	0.00	0.00

5. The disclosures required under AS 15 “Employee Benefits” notified in the Companies Act has been disclosed in Notes on Restatement.
6. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
7. The Company has not been declared wilful defaulter by any Banks or any other Financial Institution at any time during the period of restatement.
8. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the period of restatement.
9. The Company did not have any material transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial period ended on November 30, 2023.
10. During the period of restatement, The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.
11. As on 30th November, 2023, the Company does not have any charges for which registration or satisfaction is yet to be done with Registrar of Companies (ROC) beyond the statutory period.
12. During the period of restatement, the Company has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under Income Tax Act, 1961.
13. Disclosures related to Micro, Small and Medium Enterprises.

    Management is in the process of compiling information from its suppliers regarding their status under the MSME 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;

    The details relating to Micro, Small and medium enterprise disclosed as under to the extent of information available:

(₹ in Lakhs)

Sr. No.	**Particulars**	**November 30, 2023**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
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	-	-	-	-
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;	-	-	-	-

Sr. No.	Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
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.	-	-	-	-

14. The company has paid NIL dividend during the restatement period.

15. Figures have been rounded off to the multiple of lakhs. Previous year's figures have been regrouped, recast and rearranged wherever necessary to make them comparable with the current year figures.

OTHER FINANCIAL INFORMATION

The Audited Financial Statements of our Company as at and for the period/year ended on November 30, 2023 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon are available at www.sonamachinery.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 (iii) Red Herring Prospectus or (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 Restated 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:

Particulars	November 30, 2023*	March 31, 2023	March 31, 2022	March 31, 2021
Profit After Tax (₹ In Lakhs)	647.82	768.36	326.47	27.81
Basic & Diluted Earnings per Share	6.41	7.61	3.23	27.81
Return on Net Worth (%)	36.39%	67.86%	89.70%	74.14%
NAV per Equity Shares (Based on Actual Number of Shares)	17.63	1,132.34	363.98	37.51
NAV per Equity Shares (Based on Weighted Average Number of Shares)	17.63	11.21	3.60	0.37
Earnings before interest, tax, depreciation and amortization (EBITDA)	948.35	1,196.15	535.79	40.40

*Not Annualized

STATEMENT OF FINANCIAL INDEBTEDNESS

To,
The Board of Directors
Sona Machinery Limited
701 7th floor KLJ tower
Plot No. B-5 Netaji Subhash Place,
Maurya Enclave, North West Delhi,
Delhi, India, 110034

Dear Sirs,

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Sona Machinery 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 November 30, 2023 are mentioned below.

A. SECURED LOANS

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(₹ In Lakhs except percentage)

Name of Lender	Loan/ Agreement A/c No./Ref. No.	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Outstanding amount as on 30.11.2023
HDFC Bank Limited - Kia Seltos	124111765	Auto Loan	12.66	7.65%	Hypothecation of car	Repayable in 36 equated instalments of Rs.0.39 lakhs each	4.91
HDFC Bank Limited - Baleno	128215121	Auto Loan	5.25	12.75%	Hypothecation of car	Repayable in 36 equated instalments of Rs.0.18 lakhs each	2.73
YES Bank Limited - Laser Machine	INE000301253573	Machine Loan	57.48	10.33%	Hypothecation of Machine	Repayable in 36 equated instalments of Rs.1.86 lakhs each	34.07
YES Bank Limited - CNC Machine	INE000301161310	Machine Loan	29.37	10.25%	Hypothecation of Machine along with personal guarantee of Mr. Vasu Naren & Mr. Narendra Kumar	Repayable in 36 equated instalments of Rs.0.95 lakhs each, with principal moratorium of 30 days	16.53
YES Bank Limited - Kia Carnival	ALN000301388601	Auto Loan	29.53	8.99%	Hypothecation of car	Repayable in 60 equated instalments of Rs.0.61 lakhs each	24.53
TOTAL (Fund Based)							**82.77**
TOTAL (Non-Fund Based)							**106.53**
GRAND TOTAL (Fund and Non fund Based)							**189.30**

Note -: The above in backed by personal guarantee of Mr. Vasu Naren and Narender Kumar.

B. UNSECURED LOANS

(₹ In Lakhs except percentage)

Name of Lender	Loan/ Agreement A/c No./ Ref. No	Purpose	Sanctioned Amount	Rate of Interest	Re-Payment Schedule	30-11-2023
Fedbank Financial Services Ltd.	FEDDLH0BL0501059	Business Loan	22.08	15.98%	Repayable in 36 EMI of Rs 0.91 Lakhs from July 22 to June 23, Rs 0.86 Lakhs from July 23 to June 24,	10.72

Name of Lender	Loan/ Agreement A/c No./ Ref. No	Purpose	Sanctioned Amount	Rate of Interest	Re-Payment Schedule	30-11-2023
					Rs 0.49 Lakhs from July 24 to June 25	
YES Bank Limited - Term Loan#	MOR000300960028	Business Loan	20.00	11.73%	Repayable in 238 EMI of Rs 0.21 Lakhs starting from Nov 21 to Aug 2041	19.24
Yes Bank - Dropline Overdraft Facility #	2107200431	Business Loan	210.00	YBL+4.75 %	Repayable in 180 EMI of Rs 1.17 Lakhs starting from Oct 21 to September 2035	0.21
	TOTAL					**30.17**

 # Loan is Secured against mortgage of personal property of the Director

For, R K Jagetiya & Co.
Chartered Accountant
FRN: 146264W

Sd/-
Ravi Kant Jagetiya
Proprietor
M. No. 134691
Place: Mumbai
Date: February 19, 2024
UDIN: 24134691BKACXW2611

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 136. You should also read the section titled **"Risk Factors"** on page 22 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 November 25, 2023 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

We are a diversified agro-processing equipment manufacturer, manufacturing equipments for the processing of rice, pulses, wheat, spices, Barnyard Millet etc. Our product portfolio includes Grains Pre-Cleaner machines, Rotary Drum Cleaner, Vibro Classifiers, Stone Separator Machines, Paddy De-Husker, Husk Aspirator, Rice Thick/Thin Grader, Rice Whitener, Silky Polisher, Multi Grader, Length Grader, Belt Conveyer, Bucket Elevator etc. along with the complete projects for rice mills and ethanol distilleries. Our services encompass engineering, erection, supervision, and machine commissioning, delivering a comprehensive end-to-end solution for the milling section which includes grain unloading and milling solution upto pre-masher for ethanol distilleries and paddy unloading to rice packaging for rice mill industries.

Our company started its operations in January, 2021 when it purchased the fixed assets and stock for a consideration of ₹ 465.17 lakhs from "M/s Sona Foods India", which is a proprietorship concern of Narender Kumar, father of our promoter, Vasu Naren. M/s Sona Foods India is a manufacturing concern which is manufacturing agro-processing equipment's since year 2003. Vasu Naren joined the family business i.e. M/s Sona Foods India in year 2015 and now he is looking after the overall business operations of the company.

The company's product portfolio comprises of various equipments including support services for all the equipments manufactured and supplied by the company. As on the date of this Red Herring Prospectus, we are manufacturing and supplying agro-processing equipments under various categories like cleaning, grading, blending, material handling etc. Currently, we have a manufacturing unit situated at Ghaziabad, Uttar-Pradesh with a total area of approx. 52,205 sq. ft. and a warehouse for storage of our material and finished goods. Our manufacturing facility is equipped with requisite infrastructure including machineries and other handling equipment to facilitate smooth manufacturing process.

Our products are spread across various parts of India and we have generated 98.87%, 96.88%, 97.61% and 97.85% of our total revenue from domestic sales for the period ending November 30, 2023 and fiscal year ending 2023, 2022 and 2021 respectively. Further, the company has also exported small portion of its products to the countries like Nigeria, Bangladesh, Kenya, Nepal etc. and generated around 1.13%, 3.12%, 2.39% and 2.15% of our total revenue from export sales for the period ending November 30, 2023 and fiscal year ending 2023, 2022 and 2021 respectively.

Our Company is managed by our Promoter, Vasu Naren who has over 08 years of experience in the milling equipment manufacturing industry and is looking after the overall business operations of the company including sales, marketing, design, quality etc. He is supported by our Chief Financial Officer and Whole Time Director, Shweta Baisla, who has approx. 2 years of experience in same industry and taking care of legal and financial aspects of the company. Their understanding of the consumer difficulty, intuitive entrepreneurship and involvement in key aspects of our business has helped accelerate and drive our profitable growth. We believe that the sector-specific experience and expertise of our promoter has contributed significantly in the growth of our Company.

The following table sets forth certain key performance indicators for the years indicated:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	As of and for the year/period ended			
	November 30, 2023*	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations[(1)]	6,275.28	8,096.63	4,451.59	604.19
EBITDA[(2)]	948.35	1,196.15	535.79	40.40
EBITDA Margin(%)[(3)]	15.11	14.77	12.04	6.69
PAT[(4)]	647.82	768.36	326.47	27.81
PAT Margin(%)[(5)]	10.32	9.49	7.33	4.60
RoE(%)[(6)]	44.49%	102.70%	162.63%	117.81%
RoCE (%)[(7)]	46.61%	80.20%	77.56%	81.47%

**Not Annualised*

Notes:
(1) Revenue from operation means revenue from sales and other operating revenues
(2) EBITDA is calculated as Profit before tax + Depreciation + 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 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' equity plus total borrowings {current & non-current}.

Awards and Accreditations

- ISO 9001:2015 for Quality Management Systems by Das System & Services Pvt Ltd
- Top 10 Industrial Service Provider 2022 by Industry Outlook
- Prestigious Brands Asia 2022 by Barc Asia
- Prestigious Brands Asia 2023 by Barc Asia

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 136 of this Red Herring Prospectus.

Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled ***"Risk Factors"*** beginning on page 22 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including 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. Disruption in our manufacturing facilities.
3. Disruption in supply of Raw Materials;
4. Our ability to respond to technological changes;
5. Adverse natural calamities having significant impact on regions where we are having projects under implementation;
6. Our ability to attract and retain qualified personnel;
7. Inability to promptly identify and respond to changing customer preferences or evolving trends;
8. Any change in government policies resulting in increases in taxes payable by us;
9. Changes in laws and regulations that apply to the industries in which we operate.
10. Our ability to grow our business;
11. General economic, political and other risks that are out of our control;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Company's ability to successfully implement its growth strategy and expansion plans;
14. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
15. Inability to successfully obtain registrations in a timely manner or at all;
16. Occurrence of Environmental Problems & Uninsured Losses;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. Any adverse outcome in the legal proceedings in which we are involved; and
19. Concentration of ownership among our Promoter.
20. Global distress due to pandemic, war or by any other reason.

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period ended November 30, 2023 and for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in lakhs)

Particulars	**For the financial period/ year ended**							
	For the period ending 30.11.2023	**% of Total Income**	**FY 2022-23**	**% of Total Income**	**FY 2021-22**	**% of Total Income**	**FY 2020-21**	**% of Total Income**
Revenue From Operation	6,275.28	99.80	8,096.63	99.74	4,451.59	99.97	604.19	99.65
Other Income	12.83	0.20	21.43	0.26	1.48	0.03	2.14	0.35

Particulars	For the financial period/ year ended							
	For the period ending 30.11.2023	% of Total Income	FY 2022-23	% of Total Income	FY 2021-22	% of Total Income	FY 2020-21	% of Total Income
Total Income	**6,288.11**	**100.00**	**8,118.06**	**100.00**	**4,453.07**	**100.00**	**606.33**	**100.00**
Cost of Goods Sold	3,799.42	60.42	5,126.18	63.15	2,906.86	65.28	548.93	90.53
Purchases of Stock in Trade	118.45	1.88	-	-	-	-	-	-
Changes in inventories of finished goods.	-169.20	-2.69	-63.06	-0.78	57.52	1.29	-131.91	-21.76
Employee Benefit Expenses	873.99	13.90	942.88	11.61	466.84	10.48	88.09	14.53
Finance Cost	10.26	0.16	51.43	0.63	7.55	0.17	-	-
Depreciation and Amortization Expenses	68.87	1.10	88.42	1.09	68.03	1.53	11.99	1.98
Other Expenses	713.72	11.35	912.92	11.25	488.00	10.96	58.67	9.68
Total Expenditure	**5,415.52**	**86.12**	**7,058.78**	**86.95**	**3,994.80**	**89.71**	**575.78**	**94.96**
Profit/(Loss) Before Exceptional & extraordinary items & Tax	**872.59**	**13.88**	**1,059.29**	**13.05**	**458.27**	**10.29**	**30.55**	**5.04**
Exceptional Item			-		-		-	
Profit/(Loss) Before Tax	**872.59**	**13.88**	**1,059.29**	**13.05**	**458.27**	**10.29**	**30.55**	**5.04**
Tax Expense:								
Tax Expense for Current Year	226.09	3.60	300.68	3.70	134.16	3.01	5.61	0.93
Deferred Tax	-1.32	-0.02	-9.76	-0.12	-2.36	-0.05	-2.86	-0.47
Net Current Tax Expenses	**224.77**	**3.57**	**290.92**	**3.58**	**131.80**	**2.96**	**2.75**	**0.45**
Profit/(Loss) for the Year	**647.82**	**10.30**	**768.36**	**9.46**	**326.47**	**7.33**	**27.81**	**4.59**

Revenue from operations:

Revenue from operations mainly consists of revenue from manufacturing and supplying of agro-processing equipments including support services like engineering, erection, supervision, and machine commissioning, delivering a comprehensive end-to-end solution for the milling section.

Other Income:

Our other income primarily comprises of Interest Income, Duty Drawback, income from Remission of Duties or Taxes on Export Products Scheme etc.

Total Expenses:

Company's expenses consist of Cost of Goods Sold, Changes in inventories of finished goods, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses.

Purchase of Material:

Our material comprises of purchases of Raw Material.

Changes in the Inventory:

Our changes in the inventory comprises of changes in the Stock of WIP and finished goods.

Employee benefits expense:

Our employee benefits expense primarily comprises of Salaries & Wages, Staff Welfare Expenses, Gratuity, Leave Encashment, and Contribution to provident Fund.

Finance Costs:

Our finance cost includes Interest expense and Other Borrowing cost.

Depreciation and Amortization Expenses:

Depreciation includes depreciation on Property, Plant & Equipments, Furniture & Fixture, Motor Vehicle, Computer & Accessories etc.

Other Expenses:

Our other expenses include Rent, Insurance expenses, Freight, Software Expenses, Travelling Expenses, Job work charges, Commission and Brokerage Expenses, other Miscellaneous expenses like Advertising, Conveyance, Courier charges, Factory Expenses, Legal & Professional charges etc.

For the Period ended November 30, 2023 ***(Based on Restated Financial Statements)***

Total Income:

Total income for the period ending November 30, 2023 stood at ₹ 6288.11 Lakhs.

Revenue from Operations:

During the period ending November 30, 2023 revenue from operations stood at ₹ 6275.28 Lakhs.

Other Income:

During the period ending November 30, 2023, other income was ₹ 12.83 Lakhs.

Total Expenses:

The Total Expenses for the period ending November 30, 2023 stood at ₹ 5415.52 Lakhs.

Cost of Material Consumed:

During the period ending November 30, 2023, cost of material consumed stood at ₹ 3799.42 lakhs.

Changes in inventories of finished goods:

During the period ending November 30, 2023, changes in inventories of finished goods was ₹ (169.20) lakhs

Employee benefits expense:

Our Company has incurred ₹ 873.99 Lakhs as Employee benefits expense for the period ending November 30, 2023.

Finance costs:

Finance costs for the period ending November 30, 2023 was ₹ 10.26 Lakhs.

Depreciation and Amortization Expenses:

Depreciation for the period ending November 30, 2023 was ₹ 68.87 Lakhs.

Other Expenses:

Other Expenses for the period ending November 30, 2023 stood at ₹ 713.72 Lakhs.

Restated Profit before tax:

The Company reported Restated profit before tax for period ending November 30, 2023 of ₹ 872.59 Lakhs.

Restated profit after tax:

The Company reported Restated profit after tax for period ending November 302023 of ₹ 647.82 Lakhs.

Comparison of Financial Year 2023 with Financial Year 2022 *(Based on Restated Financial Statements)*

Total Income:

Total income for the Fiscal year March 31, 2023 stood at ₹ 8118.06 Lakhs. Total income for the financial year 2021-22 stood at ₹ 4453.07 Lakhs representing significant increase of 82.30%. The main reason of increase i.e. 81.88% is due to increase in the revenue from business operations of the company. Revenue from top two product categories i.e. Material Handling and Milling & Grading Machines in F.Y 2022-23 has increased by ₹ 2585.19 lakhs in comparison to F.Y 2021-22.

Revenue from Operations:

During the Fiscal year 2023 revenue from operations was ₹ 8096.63 Lakhs. Revenue from Operations for the financial year 2021-22 stood at ₹ 4451.59 Lakhs representing significant increase of 81.88%. The main reason of increase was due to increase in the business operations of the company. Revenue from top two product categories i.e. Material Handling and Milling & Grading Machines in F.Y 2022-23 has increased by ₹ 2585.19 lakhs in comparison to F.Y 2021-22.

Other Income:

During the Fiscal year 2023, other income was ₹ 21.43 Lakhs. For financial year 2021-22, it was ₹ 1.48 Lakhs representing an increase of 1350.16 %. The increase was mainly due to increase in the amount forfeited on account of non-performance of services by vendors.

Total Expenses:

The Total Expenses for the Fiscal year 2023 stood at ₹ 7056.18 Lakhs whereas the same was ₹ 3991.25 lakhs in Fiscal year 2022. The total expenses represented an increase of 76.79% as compared to previous year. The increase in total expenses was mainly due to increase in the production and revenue of the company.

Cost of Material Consumed:

Total cost of material consumed for fiscal year ending 2023 stood at ₹ 5126.18 lakhs whereas the total cost of material consumed for fiscal year ending 2022 was ₹ 2906.86 lakhs representing an increase of 76.35% due to increase in the production and revenue of the company.

Changes in inventories of finished goods:

During the fiscal year ending March 31, 2023, changes in inventories of finished goods was increased by ₹ 120.58 Lakhs.

Employee benefits expense:

Our Company has incurred ₹ 942.88 Lakhs as Employee benefits expense for the Fiscal year 2023. It stood at ₹ 466.84 Lakhs during the financial year 2021-22, representing an increase of 101.97%. The said increase is due to the significant increase in salaries and Director Remuneration of the company.

Finance costs:

Finance costs for the Fiscal year 2023 was ₹ 51.43 Lakhs and for financial Year 2021-22, it was ₹ 7.55 Lakhs, representing an increase of 581.45%, which is mainly due to the increase in Interest Expenses and other borrowing cost.

Depreciation and Amortization Expenses:

Depreciation for the Fiscal year 2023 was ₹ 88.42 Lakhs. For financial year 2021-22, it stood at ₹ 68.03 Lakhs, representing an increase of 29.99% due to increase in the fixed assets of the Company.

Other Expenses:

Other Expenses for the Fiscal year 2023 stood at ₹ 912.92 Lakhs. For Financial Year 2021-22, other expenses were ₹ 488.00 Lakhs. The significant increase of 87.08% was mainly due to increase expenses like Insurance Expenses, Software Expenses, Job work Charges, Commission and Brokerage Expenses, Advertisement expenses, Foreign exchange gain/loss, finance cost, legal and Professional charges etc.

Restated Profit/ (Loss) before tax:

Restated Profit before tax for the Fiscal year 2023 was ₹ 1059.29 Lakhs. For financial year 2021-22, it was ₹ 458.27 Lakhs, representing an increase of 131.15% which was due to the increase in the revenue of the company which increased by 81.88%.

Restated Profit/ (Loss) after tax*:*

The Company reported Restated profit after tax for the Fiscal year 2023 at ₹ 768.36 Lakhs. For financial year 2021-22, it stood at ₹ 326.47 Lakhs, representing an increase of 135.35% in Fiscal year 2023 as compared to fiscal year 2022 due to increase in the revenue of the company which increased by 81.88%.

Comparison of Financial Year 2022 with Financial Year 2021 *(Based on Restated Financial Statements)*

Our company was incorporated in year 2019, but started its operations in January, 2021 when it purchased the fixed assets and stock for a consideration of ₹ 465.17 lakhs from "M/s Sona Foods India", which is a proprietorship concern of Narender Kumar, father of our promoter, Vasu Naren. Since the business operations began in the last quarter of FY 2020-21 only, revenue from operations was generated and recorded for three months only, which is not comparable with F.Y 2021-22.

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 22 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 22, 92 and 172 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., is engaged in the business of manufacturing and supplying of agro-processing equipments including support services like engineering, erection, supervision, and machine commissioning, as disclosed in ***"Restated Financial Statements"*** on page 136 of this 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 subject to seasonality. For further information, see ***"Risk factor" - "The agriculture sector is seasonal in nature. We experience the effects of seasonality, which may result in our operating results fluctuating significantly and also, reduce our sales"*** on pages 23 of this Red Herring Prospectus, respectively.

8. Dependence on single or few customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers. For further information, see **"Our Business"** on pages 92 respectively.

9. Competitive conditions

Competitive conditions are as described under the Chapters ***"Industry Overview"*** and ***"Our Business"*** beginning on pages 79 and 92 respectively of this Red Herring Prospectus.

10. Details of material developments after the date of last balance sheet i.e. November 30, 2023.

After the date of last Balance sheet i.e., November 30, 2023, the following material events have occurred after the last audited period:

1. The company has approved the Audited Financial statements for the period ending November 30, 2023 in the Board meeting dated February 15, 2024.

2. The Company has approved the Restated Financial Statements for the period ended November 30, 2023 and for the financial year ending March 31, 2023, March 31, 2022 and March 31, 2021 in the Board meeting dated February 19, 2024.

3. Our Company has approved the Draft Red Herring Prospectus vide resolution in the Board Meeting dated November 29, 2023.

4. Our Company has approved the Red Herring Prospectus vide resolution in the Board Meeting dated February 27, 2024.

CAPITALISATION STATEMENT

(₹ In Lakhs)

Particulars	Pre Issue 30-11-23	Post Issue*
Debt		
Short Term Debt	0.21	*
Long Term Debt	112.73	*
Total Debt	112.94	*
Shareholders' Fund (Equity)		
Share Capital	1,010.00	*
Reserves & Surplus	770.16	*
Less: Miscellaneous Expenses not w/off	-	*
Total Shareholders' Fund (Equity)	1,780.16	*
Long Term Debt/Equity	0.06	*
Total Debt/Equity	0.06	*

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/11/2023.

** The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.*

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company, our Directors, Group Company and our Promoters are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as stated in this section, there are no:(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; and (v) Material Litigation (as defined below); involving our Company, Directors, Promoters and its Group Companies.

*Our Board of Directors, in its meeting held on November 07, 2023 determined that outstanding litigation involving our Company, its directors, its promoters, and group companies shall be considered material ("**Material Litigation**") if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company as per the last audited standalone financial statement of the company i.e. March 31, 2023 or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*Our Board of Directors, in its meeting held on November 07, 2023 determined that outstanding dues to the small-scale undertakings and other creditors, shall be considered material for the purpose of disclosure in Offer Document, if amount dues to any one of them exceeds 5% of the outstanding trade payables as per the latest audited standalone financial statements of the Company ("**Material Dues**").*

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI (ICDR) Regulations have been disclosed on our website at www.sonamachinery.com

Our Company, its Directors and its Promoters are not Willful Defaulters and there have been no violations of securities laws in the past or pending against them.

A. LITIGATION INVOLVING THE COMPANY

(a) Criminal proceedings against the Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

(b) Criminal proceedings filed by the Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

(c) Other pending material litigations against the Company

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

(d) Other pending material litigations filed by the Company

i. Company had filed an Application No. Udyam/UP/29/0012117/M/00001 dated March 6, 2023 before MSE Facilitation Council, District (West) against CAN Group of Industries, Maji Sainik Society, Arya, Napur – 440013, for recovery of ₹ 139.11 lakhs. The said petition has been converted into Case No. DL/11/M/DWC/01017. The matter is still pending before the Council. The next date of hearing is March 06, 2024.

(e) Actions by statutory and regulatory authorities against the Company

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY

(a) Criminal proceedings against the Promoters & Directors of the company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the company.

(b) Criminal proceedings filed by the Promoters & Directors of the company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Promoters & Directors of the company.

(c) Other pending material litigations against the Promoters & Directors of the company

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

(d) Other pending material litigations filed by the Promoters & Directors of the company

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the company

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors the Company.

(f) Tax Proceedings

Nature of Proceedings	Number of cases	Amount involved (₹ in lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**Nil**	**Nil**

C. LITIGATIONS INVOLVING THE GROUP COMPANY OF THE COMPANY

(g) Criminal proceedings against the Group Company of the company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Group Company of the company.

(h) Criminal proceedings filed by the Group Company of the company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Group Company of the company.

(i) Other pending material litigations against the Group Company of the company

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated against the Group Company, which have been considered material by the Company in accordance with the Materiality Policy.

(j) Other pending material litigations filed by the Group Company of the company

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated by the Group Company, which have been considered material by the Company in accordance with the Materiality Policy.

(k) Actions by statutory and regulatory authorities against the Group Company of the company

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Group Company.

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.

As per Restated Financial Statements, the trade payables for the sub period ended on November 30, 2023 were ₹ 809.93 Lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 40.50 Lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on November 07, 2023.

As per the above materiality policy, the outstanding amount owned to small scale undertakings and material creditors as on November 30, 2023, by our Company is as follows:

(*₹ in lakhs*)

Type of Creditors	Number of Creditors	Total Amount Outstanding	No of Material Creditors	Amount of Material Creditors	No of Other Creditors	Amount of Other Creditors
Micro, small and medium enterprises	50	759.97	03	393.81	47	366.16
Other Creditors	123	644.41	01	200.64	122	443.77
Total	**173**	**1404.38**	**04**	**594.45**	**169**	**809.93**

The details pertaining to amounts due towards material creditors are available on the website of our Company.

MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:

Except as disclosed in Chapter titled ***"Management's Discussion & Analysis of Financial Conditions & Results of Operations"*** beginning on page 172 of this Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet.

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.

I. APPROVALS FOR THE ISSUE

The following approvals have been obtained in connection with the Issue:

Corporate Approvals:

a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on November 01, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on November 06, 2023 authorized the Issue.

c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated November 29, 2023.

d) Our Board approved the Red Herring Prospectus pursuant to its resolution dated February 27, 2024.

Approval from the Stock Exchange:

e) In-principle approval dated February 07, 2024 from the NSE Emerge for using the name of the Exchange in the issue documents for listing of the Equity Shares issued by our Company pursuant to the issue.

f)

Agreements with NSDL and CDSL:

g) The company has entered into an agreement dated September 14, 2023 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is, Maashitla Securities Private Limited for the dematerialization of its shares.

h) Similarly, the Company has also entered into an agreement dated June 12, 2023 with the National Securities Depository Limited *("NSDL")* and the Registrar and Transfer Agent, who in this case is Maashitla Securities Private Limited for the dematerialization of its shares.

i) The International Securities Identification Number (ISIN) of our Company is INE0Q6H01012

II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

S. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U29256DL2019PTC345856	Companies Act, 2013	Registrar of Companies, Central Registration Centre	February 12, 2019	Valid until cancelled

S. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
3.	Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company	U29256DL2019PLC345856	Companies Act, 2013	Registrar of Companies, Central Registration Centre	October 17, 2023	Valid until cancelled

III. OTHER APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

A. TAX RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	ABBCS5790C	February 12, 2019	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department, Government of India	DELS76224B	February 12, 2019	Valid until cancelled
3.	Certificate of Registration of Goods and Services Tax	Uttar Pradesh Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	09ABBCS5790C1Z8	Issued on August 14, 2020 Date of Issue of renewed certificate November 01, 2023	Valid until cancelled

B. GENERAL APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Udyam Registration Certificate (Micro Enterprise)	MSME Development Act, 2006	Ministry of Micro Small & Medium Enterprises, Government of India	UDYAM-UP-29-0012117	January 25, 2021	Valid until cancelled
2.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce & Industry, Office of Additional Director General of Foreign Trade	ABBCS5790C	January 30, 2021; Date of issue of renewed certificate May 16, 2023	Valid until cancelled
3.	LEI Certificate	-	Baltic LEI India Private Limited	89450056ANK6N38ZN991	Fenruary 27, 2024	Fenruary 27, 2025

C. LABOUR LAW RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organisation	MRMRT2249498000	December 2, 2020	Valid until cancelled
2.	Registration under Employees' state Insurance	Employees' state Insurance Act, 1948	Employees' State Insurance Corporation	67000803930000999	December 02, 2020	Valid until cancelled

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
3.	Registration Certificate of Establishment (Registered office)	The Delhi Shops and Establishments Act, 1954	Chief Inspector, Department of Labour	2023159532	November 20, 2023	Valid until cancelled
4.	Registration Certificate of Establishment (Warehouse situated at Ghaziabad)	Uttar Pradesh Shops and Commercial Establishment Act, 1962	Labour Commissioner Organization, Uttar Pradesh	UPSA09728893	December 17, 2023	Valid until cancelled

D. BUSINESS OPERATIONS RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	License to work a factory at Loni, Ghaziabad	Factories Act, 1948	Labour Department Uttar Pradesh	UPFA09003840	September 14, 2022	September 14, 2032
2.	Certificate of Stability of Factory or Part of Factory	Under Rule 3(3) of UP Factory Rules, 1950	S.K. Mishra, BE (Civil) Structure Engineer	SL/CS/No.395/SK/20	December 10, 2020	One Time Requirement
3.	NOC from Fire Department	Factory Act, 1948	Chief Fire Officer, Ghaziabad, UP	UPFS/2021/28057/GZB/GHAZIABAD/2021/CFO	February 16, 2021	March 31, 2024
4.	Self-Sealing Permission	CBEC Circular No.26/2017-Customs dated July 1, 2017	Office of Principal Commissioner of Customs Noida, UP	26/EPC/G-I/2022	March 2, 2022	Valid Until Cancelled
5.	Fire NOC for Manufacturing Unit	The Uttar Pradesh Fire Prevention and Fire Safety Act, 2005	Chief Fire Officer	UPFS/2021/28057/GZB/GHAZIABAD/2021/CFO	Issued on February 16, 2021; Valid from April 01, 2021	March 31, 2024
6.	Certificate of Stability Total Connected/ Installed Load-46.50HP Generator-62.50 KVA (Stand By)	-	-	SL/CS/No.395/SK/20	December 10, 2020	Valid Until Cancelled

E. ENVIRONMENTAL LAW RELATED APPROVALS:

Sr. No	Description	Applicable law	Issuing Authority	Registration number	Date of Certificate	Date of Expiry
1.	Non-Polluting Industry Certificate for Jobbing and Machining	EM-Part 1 (9179/22022014) UP State Pollution Control Board Govt. Order No.2164/37/ARN/97 dated June 3, 1997 for	General Manager, District Industries Centre, Ghaziabad, UP	3234-DIC/GZD/2013-14	February 24, 2014	Valid until Cancelled

Sr. No	Description	Applicable law	Issuing Authority	Registration number	Date of Certificate	Date of Expiry
		List of 220 Non-polluting Industries.				

F. QUALITY CERTIFICATIONS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	BIS Registration Certificate for Equipment for Manufacture of Fortified Rice, Type-Batch Ribbon Blender	Bureau of Indian Standards Act, 2016	Ministry of Consumer Affairs, Food & Public Distribution, Govt. of India	CM/L-8700159922	Issued on February 02, 2023; valid from January 10, 2023; Renewed on January 06, 2024	January 09, 2025
2.	ISO 9001: 2015 Certificate of Registration for Quality Management System for Manufacture of MS and SS Sheet Metal Fabrication, Manufacturing of Machinery and equipments or food & grain milling industry.	-	Das System & Services Pvt. Ltd.	QMS/DAS21/N0040	March 11, 2021 Renewed on February 11, 2023	March 10, 2024

IV. APPROVALS OR LICENSES PENDING TO BE APPLIED:

Nil

V. APPROVALS OR LICENSES APPLIED BUT NOT RECEIVED:

Nil

OUR GROUP COMPANY

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years & for the eight months' period and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated November 07, 2023 for the purpose of disclosure in relation to Group Company 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 fulfills both the below mentioned conditions: -

i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI(ICDR)Regulations 2018; and

ii) Where 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 Companies are identified as our Group Company:

1. Can Engineering Solutions Private Limited

Details of our Group Company:

Can Engineering Solutions Private Limited was incorporated on February 28, 2022 as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre.

CIN	U74999DL2022PTC394445
PAN	AAKCC1335K
Registered Office	Office No.700, 7th Floor, KLJ Tower North Plot No. B-5 Netaji Subhash Place, North West, New Delhi, Delhi, India, 110034

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 of our group company are available on the website of our company at www.sonamachinery.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.

Litigations

Our Group Company does not have any pending litigation which can have a material impact on our Company.

Common pursuits among Group Company

There are no common pursuits among any of our Group Companies and our Company.

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:

None of our Group Companies are interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company

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 136, there are no related business transactions between the Group Company and our Company.

Business interest of our Group Companies in our Company

Except as disclosed in the section ***"Other Financial Information–Related Party Transactions"*** and ***"History and certain Corporate Structure"*** on page 136 and page 116 of this Red Herring Prospectus, our Group Company have no business interests in our Company.

Other confirmations

a) None of the above-mentioned 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 are 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) Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Undertaking/ Confirmations by our Group Company

None of our Promoter 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 Promoter, person in control of our Company 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.

Further, neither our Promoter, the relatives of our individual Promoter (as defined under the Companies Act, 2013) nor our Group company/ Promoter Group entities have been declared as a willful 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 companies, are also available on the website of our company i.e., www.sonamachinery.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 November 01, 2023 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 November 06, 2023 authorized the Issue.

In-principle Approval:

Our Company has obtained in-principle approval from the NSE Emerge for using its name in the Red Herring Prospectus/ Prospectus pursuant to an approval letter dated February 07, 2024 NSE is the Designated Stock Exchange.

Prohibition by SEBI or other Governmental Authorities:

We confirm that there is no prohibition on our Company, our Promoters, our Promoter Group, our directors, or the person(s) in control of our Company from accessing or operating in the Capital Markets or debarment from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any securities market regulator in any other jurisdiction or any other authority/court.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoters, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other regulatory or governmental authority.

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 180 of this Red Herring Prospectus.

Association with Securities Market:

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 promoters or directors in the past 5 years.

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 180 of this Red Herring Prospectus.

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

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Red Herring Prospectus, there are no such significant beneficial owners in our Company

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 Offer" 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 ten crore rupees and upto twenty-five 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 49 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 NSE Emerge of NSE. 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 52 of this Red Herring Prospectus.

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 Depositary Services Limited (CDSL) dated September 14, 2023 and National Securities Depository Limited dated June 12, 2023 for establishing connectivity.

2. Our Company has a website i.e., https://www.sonamachinery.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.

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge of the NSE:

1. Our Company was originally incorporated as a Private Limited Company under the name of "Sona Machinery Private Limited" on February 12, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on September 21, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from "Sona Machinery Private Limited" to "Sona Machinery Limited" vide a fresh certificate of incorporation Consequent upon conversion to public company dated October 17, 2023, issued by the Registrar of Companies, Delhi and bearing CIN U29256DL2019PLC345856.

2. As on the date of this Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 10.10 Crores and the Post Issue Capital will be of upto ₹ 13.72 Crores which is less than ₹ 25 Crores.

3. Our Promoter-Vasu Naren, has a track record of more than three years as he joined the family business i.e. M/s Sona Foods India in year 2015, which is in the business of manufacturing agro-processing equipment's. Hence, promoter has an experience of 08 years in the same line of business and he shall be holding at least 20% of the post issue equity share capital.

4. As on November 30, 2023, the Company has net tangible assets of ₹ 4187.12 Lakhs.

5. The company/ entity has operating profit (earnings before interest, depreciation and tax) from operations for atleast any 2 out of 3 financial years preceding the application and its net-worth should be positive. The details of the Net Worth and Operating Profit as per the Financial Statements of the company are as detailed below

(In ₹ Lakhs)

Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth	1,780.16	1,132.34	363.98	37.51
Operating profit (earnings before interest, depreciation, Profit/ (loss) and tax)	948.35	1,196.15	535.79	40.40

6. 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;

7. The 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.

8. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

9. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.

10. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.

11. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company

12. 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

13. 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, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled ***"Outstanding Litigation and Material Developments"*** beginning on page 180 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 180 of this Red Herring Prospectus.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the Emerge Platform of NSE.

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 DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ 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 DRAFT OFFER DOCUMENT/ 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 NOVEMBER 29, 2023.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT 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, Delhi 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):

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]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	E Factor Experiences Limited	25.92	75.00	October 09, 2023	115.00	112.80% [-0.35%]	117.53% [10.25%]	N.A.
2.	Paragon Fine and Speciality Chemical Limited	51.66	100.00	November 03, 2023	225.00	80.20% [7.57%]	47.75% [12.83%]	N.A.
3.	Deepak Chemtex Limited	23.04	80.00	December 06, 2023	152.00	44.19% [3.69%]	N.A.	N.A.
4.	S J Logistics (India) Limited	48.00	125.00	December 19, 2023	175.00	77.36% [0.04%]	N.A.	N.A.
5.	Siyaram Recyling Industries Limited	22.96	46.00	December 21, 2023	55.00	124.07% [-0.70%]	N.A.	N.A.
6.	Shanti Spintex Limited	31.25	70.00	December 27, 2023	76.00	9.19% [-0.13%]	N.A.	N.A.
7.	Shri Balaji Valve Components Limited	21.60	100.00	January 03, 2024	190.00	129.25% [1.56%]	N.A.	N.A.
8.	New Swan Multitech Limited	33.11	66.00	January 18, 2024	124.47	44.47% [2.14%]	N.A.	N.A.
9.	Harshdeep Hortico Limited	19.09	45.00	February 05, 2024	70.00	N.A.	N.A.	N.A.
10.	Megatherm Induction Limited	53.91	108.00	February 05, 2024	198.00	N.A.	N.A.	N.A.

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

1. *The scrip of E Factor Experiences Limited and Paragon Fine and Speciality Chemical Limited has not completed its 180th days from the date of listing; Deepak Chemtex Limited, S J Logistics (India) Limited, Siyaram Recyling Industries Limited, Shanti Spintex Limited, Shri Balaji Valve Components Limited and New Swan Multitech Limited has not completed its 90th day from the date of listing, Harshdeep Hortico Limited and Megatherm Induction Limited has not completed its 30th 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- 30th calendar days from listing			No. of IPOs trading at Premium- 30th calendar days from listing			No. of IPOs trading at discount- 180th calendar days from listing			No. of IPOs trading at Premium- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	6(1)	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	15(2)	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	19(3)	606.19	-	-	-	11	4	2	-	-	-	4	-	1

1) The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021and March 28, 2022 respectively;

2) 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;

3) 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 Recyling 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 and Megatherm Induction Limited was listed on February 05, 2024.

Note:

a) Based on date of listing.
b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
c) Prices on BSE/NSE are considered for all of the above calculations.
d) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
e) In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
f) N.A. – Period not completed.
g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

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

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 November 21, 2023 and the Underwriting Agreement dated February 05, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated February 05, 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 ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 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 New Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. 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 NSE Emerge of NSE:

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/3118 dated February 07, 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 of Offer Document with the Designated Stock Exchange/SEBI/ROC

The Red Herring Prospectus is being filed with Emerge Plateform of 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 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 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-principle approval from NSE by way of its letter dated February 07, 2024 for listing of equity shares on NSE Emerge (NSE SME platform).

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 NSE Emerge platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) 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, Syndicate Member, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been be 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. R K Jagetiya & Co., Chartered Accountants, Statutory 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 Draft Red Herring Prospectus/ 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 with the RoC.

Experts Opinion

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

(iii) Our Company has received consent from the R K Jagetiya & Co., Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (a) Auditors' reports on the restated financial statements; and (b) Statement of Tax Benefits (c) Statement of Financial Indebtedness. Such consent has not been withdrawn as on the date of this Red Herring Prospectus, and;

(iv) Our Company has received consent from the Chartered Engineer, to include their name as required under Section 26 of the Companies Act read with the SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert", as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an independent chartered engineer, in relation to the certificate, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this Red Herring Prospectus such consent has not been withdrawn as on the date of this Red Herring Prospectus.

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 November 21, 2023 with the Book Running Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated February 05, 2024 with Underwriter and (iii) the Market Making Agreement dated February 05, 2024 with Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 A.M. to 5.00 P.M. on Working Days from the date of the Red Herring 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 November 21, 2023 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:

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date 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 55 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 last five (5) years.

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-à-vis object

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. Therefore, data regarding promise versus performance is not applicable to us.

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 provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Red Herring Prospectus. Since there is no investor complaint received, none are pending as on the date of filing of this Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, 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 Supriya, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer will be updated prior to filing of Prospectus with ROC and NSE:

Supriya
Sona Machinery Limited
Address: Unit No. 701, 7th floor, KLJ Tower, Plot No. B-5,
Netaji Subhash Place, Maurya Enclave, North West Delhi, Delhi – 110034, India

Tel. No.: +91-8448984368
Email: cs@sonamachinery.com
Website: www.sonamachinery.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

Our Board by a resolution on November 07, 2023 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled ***"Our Management"*** beginning on page 120 of this Red Herring Prospectus.

Status of Investor Complaints:

We confirm that we have not received any investor compliant 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 76 of this Red Herring Prospectus.

Purchase of Property:

Other than as disclosed in Section ***"Our Business"*** beginning on page 92 of this Red Herring Prospectus 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 55 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets:

Our Company has not revalued its assets in five (5) years preceding the date of this Red Herring Prospectus.

Servicing Behavior:

Except as stated in this Draft, 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 120 and chapter titled ***"Financial Information"*** beginning on page 136 of this Red Herring Prospectus 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:

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

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 the Red Herring Prospectus, Prospectus, Bid cum 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 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, SEBI through its 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI 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+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bidders with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors ("UPI Phase III"), as may be prescribed by SEBI.

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 operationalization 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 Issue of upto 36,24,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on November 01, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on November 06, 2023 in accordance with the provision 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 236 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 135 and 236 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 BRLM, 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 Delhi edition of Pratah Kiran, 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 BRLM, 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 236 of this Red Herring Prospectus.

Allotment only in Dematerialized Form

As per the provisions of the Depositories Act, 1996 and the 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 offered can be applied for in the dematerialized form only.
In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated June 12, 2023 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated September 14, 2023 between CDSL, our Company and Registrar to the Issue.

Minimum Application Value, Market Lot and Trading Lot

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 (SME 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 is subject to a minimum allotment of [●] Equity Shares to the successful Bidders 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 Delhi.

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 Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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 Corporate 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 the 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 Bidder would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Subscription List of Public Issue

Event	Indicative Dates
Bid/ Issue Opening Date	Tuesday, March 05, 2024[1]
Bid/ Issue Closing Date	Thursday, March 07, 2024[2]
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about Monday, March 11, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about Tuesday, March 12, 2024
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about Tuesday, March 12, 2024
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about Wednesday, March 13, 2024

Note [1]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
[2]Our Company in consultation with the BRLM, 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.

**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 for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the Bidder. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.*

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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022.

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 6 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 Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge 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 BRLM 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 BRLM 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 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 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 BRLM, 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 BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, 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 BRLM 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. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

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.

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 49 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 fulfillment 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 SME Platform of NSE (NSE Emerge), 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 SME 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 52 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 SME 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 Promoters minimum contribution in the Issue as detailed under section titled ***"Capital Structure"*** beginning on page 55 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 236 of this Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC publish a pre-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.

The above information is given for the benefit of the Bidders. The Bidders 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. 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 and regulations.

Withdrawal of the Issue

Our Company in consultation with the BRLM, 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 Bidders. The Bidders 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. 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 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 ten crore rupees and upto 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., SME 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 199 and 209 of this Red Herring Prospectus.

Issue Structure:

Initial Public Issue of upto 36,24,000 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 1,82,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto [●] Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.41% and 25.08%, 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 [(2)]	Market Maker Reservation Portion	QIBs [(1)]	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation	Upto 1,82,000 Equity Shares	Not more than 17,20,000 Equity Shares	Not less than 5,17,000 Equity Shares	Not less than 12,05,000 Equity Shares
Percentage of Issue Size available for allocation	5.02% 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% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment [(3)]	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 Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares	Proportionate basis subject to minimum allotment of [●] Equity Shares

Particulars of the Issue [2]	Market Maker Reservation Portion	QIBs [1]	Non-Institutional Investors	Retail Individual Investors
		only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Allotment	Compulsorily in dematerialized form.			
Minimum Bid Size	1,82,000 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
Maximum Bid Size	1,82,000 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
Trading Lot	[●] 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
Terms of Payment	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 [4]			
Mode of Bid	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

[1] *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.*

[2] *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.*

[3] *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 Managers and the Designated Stock Exchange, subject to applicable laws.*

[4] *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 209 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 offering 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) the registration of Red Herring Prospectus/ Prospectus with RoC.

Issue Program

Event	Indicative Dates
Bid/ Issue Opening Date	Tuesday, March 05, 2024[1]
Bid/ Issue Closing Date	Thursday, March 07, 2024[2]
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about Monday, March 11, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about Tuesday, March 12, 2024
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about Tuesday, March 12, 2024
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about Wednesday, March 13, 2024

[1)] 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.

[2)] Our Company in consultation with the BRLM, 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 Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual Bidders.
c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual Bidders, 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 BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. 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 physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays)

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Master Circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI ("General Information Document") and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section "PART B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI Master Circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid cum 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 (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("UPI Phase III"), as may be prescribed by SEBI

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 the Red Herring Prospectus. Bidders 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 this Red Herring Prospectus and the Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid cum Application Form.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the "UPI Circulars") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six 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 Mechanism, the UPI Circular proposes to introduce and implement 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 Bidder had the option to submit the Bid cum 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 six 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 six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

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 Bidders 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 BRLM, 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, under subscription, 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 BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

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 Offer, 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 BRLM, the Designated Intermediaries at Bidding Centres, and Corporate 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 Offer 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 Offer 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 Offer through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. 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:

Category	**Colour***
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 BRLM.*

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)

Sr. No.	Designated Intermediaries
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:

For Applications submitted by Investors to SCSB	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.
For applications submitted by investors to intermediaries other than SCSBs	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.
For applications submitted by investors to 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. 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 BRLM, the Designated Intermediaries at Bidding Centres, and Corporate 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) 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 DRHP 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 Karta. 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 Bidders 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 BRLMs 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 BRLM 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 Delhi Edition of Regional newspaper Pratah Kiran 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 BRLM 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 maybe 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 Delhi Edition of Regional newspaper Pratah Kiran 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 BRLM or their authorized agents to register their Bids. The BRLM 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 BRLM (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 BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM 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 BRLM/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 BRLM 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 209 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 BRLM, 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 BRLM, 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 offered to an anchor investor shall not be lower than the price offered to other Bidders.

Participation by Associates /Affiliates of BRLM and the Syndicate Members

The BRLM 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 BRLM 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 BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the 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 Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered 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) working days before the 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 Corporate 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/ Prospectus and/ or the Bid Cum Application Form can obtain the same from our Corporate 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 Bidders 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 Bidders 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 BRLM, 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 under subscription 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 BRLM.

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 BRLM, 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 BRLM 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 BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM 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 NRI'S:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM 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 BRLM 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 HUFS

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 BRLM 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 BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM 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 ACONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM 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: “Sona Machinery Limited IPO – Anchor Account- R”

b. In case of Non-Resident Anchor Investors: “Sona Machinery Limited IPO – Anchor Account- NR”
c. 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 1.00 p.m. of next Working Day from 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 Intermediariesor
    (iii) The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediariesand their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediariescan 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 in 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 BRLM 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 BRLM, 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 RHP. For details in relation to allocation, the Bidder may refer to the RHP.

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 BRLM and the Designated Stock

Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

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 under subscription applicable to the Issuer, Bidders may refer to the RHP.

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 BRLM, 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 BRLM, 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

a) Our company has entered into an Underwriting Agreement dated February 05, 2024
b) A copy of Red Herring Prospectus/ Prospectus will be filed with the 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 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 ICRD 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 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:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that 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;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first Bidder 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;
7. 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 Centers), 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 "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.

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 Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit 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 DRHP.

GROUNDS 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 DRHP;
- 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 DRHP;
- 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 DRHP and as per the instructions in the DRHP 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 in 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
b) 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 spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

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 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 DRHP. 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 Offer for Sale only, then minimum subscription may not be applicable.

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 Net 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 Net 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 RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall 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.

- Eher 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 BRLM, subject to compliance with the following requirements:

i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 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 BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

In the event that the Issue Price is higher than the Anchor Investor

c) **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 offered, 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 DRHP.

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 4 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 4 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 and NSE i.e., 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 and NSE i.e., 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 6 (Six) 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 6 (Six) days of the Issue Closing Date;

2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) 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 BRLM 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 six 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 Bidder within six 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, under subscription 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:

a) Tripartite Agreement dated June 12, 2022 between NSDL, the Company and the Registrar to the Issue;
b) Tripartite Agreement dated September 14, 2023 between CDSL, the Company and the Registrar to the Issue;
c) The Company's equity shares bear an ISIN INE0Q6H01012.

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 Offer. 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 Offer in writing about such approval along with a copy thereof within the Offer 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 a 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 20003/71/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 unauthorised. 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 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 regulation.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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 September 21, 2023, in substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the 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.

INTERPRETATION

I 1. In these regulations-
   a. "the Act" means the Companies Act, 2013,
   b. "the seal" means the common seal of the company.
   c. these regulations means these Articles of Association as originally framed or as altered from time to time.

2. 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.

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 per cent 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.

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.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. 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.

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.

20. i. The Board may, subject to the right of appeal conferred by section 58 decline to register—

ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

iii. 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 thereunder, 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.

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-

i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and

iv. 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.

36. Where shares are converted into stock,-

- 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.

- 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.

- 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-

- it share capital;
- any capital redemption reserve account; or
- any share premium account.

CAPITALISATION OF PROFITS

38. The company in general meeting may, upon the recommendation of the Board, resolve-

i. 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

ii. 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.

iii. 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);

iv. 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;

v. 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
b. allotments and issues of fully paid shares if any; and
c. 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,
i. on a show of hands, every member present in person shall have one vote;

ii. and 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.

iii. 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 maybe 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 following shall be the First Directors of the Company:
1. Narender Kumar
2. Vasu Naren

59. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

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-
- in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- 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. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

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. i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

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 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 72 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 equalizing 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, thinks 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.

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.

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 Red Herring Prospectus, delivered to the Registrar of Companies, for filing. 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. Agreement dated November 21, 2023 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated November 21, 2023 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated February 05, 2024 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated February 05, 2024 between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated February 05, 2024 between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated February 05, 2024 between our Company, Book Running Lead Manager and Registrar to the Issue and Syndicate Members
7. Tripartite Agreement dated September 14, 2023 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated June 12, 2023 among NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated February 12, 2019 issued by the Registrar of Companies, Central Registration Centre.
3. Fresh Certificate of Incorporation Consequent upon Conversion to Public Company dated October 17, 2021 issued by the Registrar of Companies, Delhi.
4. Copy of the Board Resolution dated November 01, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated November 06, 2023 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the period ended November 30, 2023 and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
7. Statutory Auditors Report dated February 19, 2024 on the Restated Financial Statements for the period ended November 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.
8. Copy of the Statement of Tax Benefits dated November 28, 2023 from the Statutory Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated February 19, 2024.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Syndicate Member, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated November 29, 2023 for approval of Draft Red Herring Prospectus, dated February 27, 2024 for approval of Red Herring Prospectus dated [●] for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated November 29, 2023.
13. Approval from NSE vide letter dated February 07, 2024 to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the 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:

Name and Designation	Signature
Vasu Naren Chairman & Managing Director DIN: 06915821	Sd/-

Date: February 27, 2024
Place: Delhi

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:

Name and Designation	Signature
Shweta Baisla Whole-time Director & Chief Financial Officer DIN: 09652443	Sd/-

Date: February 27, 2024
Place: Delhi

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:

Name and Designation	Signature
Naman Jain Independent Director DIN: 08359842	Sd/-

Date: February 27, 2024
Place: Delhi

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:

Name and Designation	Signature
Preet Kumar Independent Director DIN: 10371737	Sd/-

Date: February 27, 2024
Place: Delhi

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:

Name and Designation	Signature
Akash Kumar Bansal Independent Director DIN: 10469091	Sd/-

Date: February 27, 2024
Place: Delhi

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:

Name and Designation	Signature
Supriya Company Secretary & Compliance Officer	Sd/-

Date: February 27, 2024
Place: Delhi