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FORGE AUTO INTERNATIONAL LIMITED



CIN: U25910PB2023PLC058272

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

Registered Office: Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, 141001 India.
Tel.: +91 8999999195; **E-mail:** sm@aint.in; **Website:** www.failtd.com; **CIN:** U25910PB2023PLC058272,
Contact Person: Medhavi Sharma, Company Secretary & Compliance Officer

OUR PROMOTERS: RAJAN MITTAL AND PARMOD GUPTA

"THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE (NSE EMERGE)."

Our Company is an engineering company engaged into forging and manufacturing of complex and safety critical, forged and precision machined components.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 28,80,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF FORGE AUTO INTERNATIONAL LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ 108/- PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ 98/- PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ 3110.40 LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,46,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ 108/- PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 158.11 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 27,33,600 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ 108/- PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ 2952.29 LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.37% AND 25.03% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS RS.10/- AND ISSUE PRICE IS RS. 108/- THE ISSUE PRICE IS 10.8 TIMES OF THE FACE VALUE OF THE EQUITY SHARE
ANCHOR INVESTOR ISSUE PRICE: RS. 108/- PER EQUITY SHARE. THE ISSUE PRICE IS 10.8 TIMES OF THE FACE VALUE

BID/ ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE WAS: WEDNESDAY, SEPTEMBER 25, 2024

BID / ISSUE OPENED ON: THURSDAY, SEPTEMBER 26, 2024

BID / ISSUE CLOSED ON: MONDAY, SEPTEMBER 30, 2024

RISKS TO INVESTORS:

- a) We depend on a limited number of customers for our revenue from operations, the loss of any of these customers individually or severally could have a material adverse effect on our business, operations and could have impacted our financial strength.
- b) We do not have agreements/commitment on part of our customers to purchase or place orders with us, also we do not have any price agreement with our customers. If our customers select some other vendors/competitors for their requirement, it may have adverse effect on our business.
- c) The BRLM associated with the Issue has handled 60 Public Issues in the past three years, out of which 1 issue was closed below the Issue/ Offer Price on listing date:

Name of BRLM	Total Issue		Issue closed below IPO Price on listing date
	Mainboard	SME	
Hem Securities Limited	1	59	1

- d) Average cost of acquisition of Equity Shares held by the Individual Promoters is

Sr. No.	Name of the Promoters	Average cost of Acquisition (in ₹)
1.	Rajan Mittal	15.18
2.	Parmod Gupta	16.54

and the Issue Price at the upper end of the Price Band is Rs. 108 per Equity Share.

- e) The Price/ Earnings ratio based on Diluted EPS for Fiscal 2024 for the company at the upper end of the Price Band is 10.58.

- f) Weighted Average Return on Net worth for Fiscals 2024, 2023 and 2022 is 29.26%.

- g) The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of Prospectus is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 108) is "X" times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year	20.07	5.38	0-60
Last 18 months/ Last 3 years	17.56	6.15	0-60

- h) The Weighted average cost of acquisition compared to Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 102)	Cap price (i.e. ₹ 108)
WACA of primary issuance (exceeding 5% of the pre issue capital)	17.56	5.81	6.15
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	NA^^	NA^^	NA^^

Note:

^^There were no secondary transactions exceeding 5% of the pre issue capital, in last 18 months from the date of the Prospectus.

PROPOSED LISTING: FRIDAY, OCTOBER 04, 2024*

The Issue was 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 was available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), Our Company in consultation with the Book Running Lead Manager has allocated upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"). 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 was made 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) were required to mandatorily utilise 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 were not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 213 of the Prospectus.

The investors are advised to refer to the Prospectus for the full text of the Disclaimer clause pertaining to NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited. The trading is proposed to be commenced on or before Friday, October 04, 2024*

*Subject to the receipt of listing and trading approval from the NSE (NSE Emerge).

SUBSCRIPTION DETAILS

The bidding for Anchor Investors opened and closed on Wednesday, September 25, 2024. The Company received 7 Anchor Investors applications for 13,02,000 Equity Shares. The Anchor Investor Allocation price was finalized at Rs. 108/- per Equity Share. A total of 8,18,400 Equity Shares were allotted under the Anchor Investors portion aggregating to Rs. 8,83,87,200/-.

The Issue (excluding Anchor Investors Portion) received 53379 Applications for 9,50,90,400 Equity Shares resulting 46.12 times subscription (including reserved portion of market maker and excluding anchor investor portion). The details of the Applications received in the Issue from various categories are as under (before technical rejections):

Detail of the Applications Received (excluding Anchor Investors Portion):

Sr. No.	Category	Number of Applications	No. of Equity Shares applied	Equity Shares Reserved as per Prospectus	No. of times Subscribed	Amount (Rs.)
1	Market Maker	1	1,46,400	1,46,400	1.00	1,58,11,200.00
2	QIB (excluding Anchor investor portion)	12	1,10,08,800	5,47,200	20.12	118,89,50,400.00
3	Non-Institutional Investor	3538	2,41,41,600	4,10,400	58.82	260,68,28,400.00
4	Retail Individual Investors	49828	5,97,93,600	9,57,600	62.44	645,71,91,600.00
	TOTAL	53379	9,50,90,400	20,61,600		1,026,87,81,600.00

1) Allotment to Retail Individual Investors (After Technical Rejections):

The Basis of Allotment to the Retail Individual Investors, who have Bid at cut-off Price or at or above the Issue Price of Rs. 108/- per Equity Share, was finalized in consultation with NSE. The category has been subscribed to the extent of 61.76 times. The total number of Equity Shares Allotted in this category is 957,600 Equity Shares to 798 successful applicants. The details of the Basis of Allotment of the said category are as under:

No. of Shares Applied for (Category wise)	No. of Applications Received	% of Total	Total No. of Shares Applied	% to Total	No. of Equity Shares Allotted per Applicant	Ratio	Total No. of Shares Allotted
1200	49281	100	5,91,37,200	100	1200	4:247	957600

2) Allotment to Non-Institutional Investors (After Technical Rejections):

The Basis of Allotment to the Non-Institutional Investors, who have bid at the Issue Price of Rs. 108/- or above per Equity Share was finalized in consultation with NSE. The category has been subscribed to the extent of 58.43 times (after technical rejection). The total number of Equity Shares Allotted in this category is 410400 Equity Shares to 308 successful applicants. The details of the Basis of Allotment of the said category are as under (Sample Basis):

No. of Shares applied for (Category wise)	Number of applications received	% to total	Total No. of Shares applied in each category	% to total	No of Equity Shares allotted per applicant	Ratio of allottees to applicants	Total No. of shares allocated/allotted
2400	2225	63.75	5340000	22.27	1200	29:849	91200
3600	383	10.97	1378800	5.75	1200	20:383	24000
4800	143	4.10	686400	2.86	1200	10:143	12000
6000	122	3.50	732000	3.05	1200	5:61	12000
7200	51	1.46	367200	1.53	1200	5:51	6000
8400	48	1.38	403200	1.68	1200	1:8	7200
9600	134	3.84	1286400	5.36	1200	9:67	21600
10800	30	0.86	324000	1.35	1200	1:6	6000
19200	13	0.37	249600	1.04	1200	3:13	3600
27600	4	0.11	110400	0.46	1200	1:2	2400
38400	4	0.11	153600	0.64	1200	1:2	2400
46800	2	0.06	93600	0.39	1200	1:2	1200
57600	1	0.03	57600	0.24	1200	1:1	1200

3) Allotment to QIBs excluding Anchor Investors (After Technical Rejections):

Allotment to QIBs, who have bid at the Issue Price of Rs. 108/- or above per Equity Share has been done on a proportionate basis in consultation with NSE. This category has been subscribed to the extent of 20.12 times of QIB portion. The total number of Equity Shares allotted in the QIB category is 547200 Equity Shares, which were allotted to 12 successful Applicants.

CATEGORY	FIS/BANKS	MF'S	IC'S	NBFC'S	AIF	FPI	VC'S	TOTAL
QIB	-	-	-	354000	97200	96000	-	5,47,200

The Board of Directors of our Company at its meeting held on October 01, 2024 has taken on record the basis of allotment of Equity Shares approved by the Designated Stock Exchange, being NSE and has allotted the Equity Shares to various successful applicants. The Allotment Advice Cum Refund Intimation will be dispatched to the address of the investors as registered with the depositories. Further, instructions to the SCSBs have been dispatched/ mailed for unblocking of funds and transfer to the Public Issue Account on or before October 03, 2024. In case the same is not received within ten days, Investors may contact the Registrar to the Issue at the address given below. The Equity Shares allotted to the successful allottees shall be uploaded on October 03, 2024 for credit into the respective beneficiary accounts subject to validation of the account details with the depositories concerned. The Company is in the process of obtaining the listing and trading approval from NSE and the trading of the Equity Shares is expected to commence trading on October 04, 2024.

Note: All capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Prospectus dated September 30, 2024 filed with the Registrar of Companies, Chandigarh, Punjab ("RoC").

INVESTORS, PLEASE NOTE

The details of the allotment made has been hosted on the website of the Registrar to the Issue, Bigshare Services Private Limited at website: www.bigshareonline.com

TRACK RECORD OF BOOK RUNNING LEAD MANAGER: The BRLM associated with the Issue has handled 60 Public Issues in the past three years, out of which 1 issue was closed below the Issue/ Offer Price on listing date:

Name of BRLM	Total Issue		Issue closed below IPO Price on listing date
	Mainboard	SME	
Hem Securities Limited	1	59	1

All future correspondence in this regard may kindly be addressed to the Registrar to the Issue quoting full name of the First/ Sole Bidder Serial number of the ASBA form, number of Equity Shares bid for, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and copy of the Acknowledgment Slip received from the Designated Intermediary and payment details at the address given below:



BIGSHARE SERVICES PRIVATE LIMITED

Address: S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India.
Telephone: +91 22 6263 8200; Facsimile: +91 22 6263 8299; Email: ipo@bigshareonline.com;
Investor Grievance Email: investor@bigshareonline.com; Contact Person: Asif Sayyed;
SEBI Registration No.: INR000004058

On behalf of Board of Directors
Forge Auto International Limited

Sd/
Medhavi Sharma
Company Secretary and Compliance Officer

Place: Ludhiana
Date: October 3, 2024

THE LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARES ON LISTING OR THE BUSINESS PROSPECTS OF FORGE AUTO INTERNATIONAL LIMITED

Disclaimer: Forge Auto International Limited has filed the Prospectus with the RoC on September 30, 2024 and thereafter with SEBI and the Stock Exchange. The Prospectus is available on the website of the BRLM, Hem Securities Limited at www.hemsecurities.com and the Company at: www.failtd.com and shall also be available on the website of the NSE and SEBI. Investors should note that investment in Equity Shares involves a high degree of risk and for details relating to the same, please see "Risk Factors" beginning on page 24 of the Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being issued and sold outside the United States in "offshore transactions" in reliance on Regulation under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public Issuing in the United States.