Draft Red Herring Prospectus
Dated: September 28, 2023
(This DRHP will be updated upon filing with RoC)
(Please read Section 32 of Companies Act, 2013)
100% Book Build Issue

INDO FARM EQUIPMENT LIMITED

CORPORATE IDENTITY NUMBER: U29219CH1994PLC015132

<table>
<tr><th colspan="3">REGISTERED OFFICE & CORPORATE OFFICE</th><th colspan="2">CONTACT PERSON</th></tr>
<tr><td colspan="3">SCO 859 N.A.C Manimajra Kalka Road Chandigarh 160101, India.</td><td colspan="2">Navpreet Kaur
Company Secretary and Compliance Officer</td></tr>
<tr><th>EMAIL</th><th colspan="2">TELEPHONE</th><th colspan="2">WEBSITE</th></tr>
<tr><td>compliance@indofarm.in</td><td colspan="2">0172-2730060</td><td colspan="2">www.indofarm.in</td></tr>
<tr><th colspan="5">PROMOTERS OF OUR COMPANY: RANBIR SINGH KHADWALIA AND SUNITA SAINI</th></tr>
<tr><th colspan="5">DETAILS OF THE OFFER</th></tr>
<tr><th>TYPE</th><th>FRESH ISSUE SIZE
(₹ IN MILLIONS)</th><th>OFS SIZE
(₹ IN MILLIONS)</th><th>TOTAL OFFER SIZE
(₹ IN MILLION)</th><th>Eligibility – 6(1) / 6(2) & Share Reservation among QIB, NII &RII</th></tr>
<tr><td>Fresh Issue and Offer for Sale</td><td>Up to 10,500,000 Equity Shares aggregating up to ₹ [●] million</td><td>Up to 3,500,000 Equity Shares aggregating up to ₹ [●] million</td><td>Up to ₹ [●] million</td><td>The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Bidders, see “Offer Structure” on page 337 of this Draft Red Herring Prospectus.</td></tr>
</table>

<table>
<tr><th colspan="4">DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDER</th></tr>
<tr><th>NAME OF SELLING SHAREHOLDER</th><th>TYPE</th><th>NUMBER OF EQUITY SHARES OFFERED/
(₹ IN MILLIONS)</th><th>WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS (IN ₹ PER EQUITY SHARE)</th></tr>
<tr><td>Ranbir Singh Khadwalia</td><td>Promoter</td><td>Up to 3,500,000 Equity Shares aggregating up to ₹ [●] Millions</td><td>2.11</td></tr>
</table>

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10. The Floor Price, Cap Price and the Offer Price determined by our Company and the Selling Shareholder, 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 the Offer Price*” on page 88 of this Draft Red Herring Prospectus 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 24 of this Draft Red Herring Prospectus.

ISSUER’S AND SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholder severally, and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholder, assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company or any other Selling Shareholder in this Draft Red Herring Prospectus.

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an “in-principle” approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance under Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, please see “*Material Contracts and Documents for Inspection*” on page no. 376 of this Draft Red Herring Prospectus.

<table>
<tr><th colspan="3">BOOK RUNNING LEAD MANAGER</th></tr>
<tr><th>NAME OF BOOK RUNNING LEAD MANAGER AND LOGO</th><th>CONTACT PERSON</th><th>E-MAIL AND TELEPHONE</th></tr>
<tr><td>ARYAMAN FINANCIAL SERVICES LTD
Aryaman Financial Services Limited</td><td>Deepak Biyani/Vatsal Ganatra</td><td>Telephone: +91 – 22 – 6216 6999
E-mail:ipo@afsl.co.in</td></tr>
<tr><th colspan="3">REGISTRAR TO THE OFFER</th></tr>
<tr><th>NAME OF REGISTRAR</th><th>CONTACT PERSON</th><th>E-MAIL AND TELEPHONE</th></tr>
<tr><td>MASS
MAS Services Limited</td><td>N.C. Pal</td><td>Telephone: 011-26387281-83, 011-41320335
E-mail: ipo@masserv.com</td></tr>
</table>

BID/OFFER PROGRAMME			
BID/OFFER OPENS ON	[●] [(1)]	**BID/OFFER CLOSES ON**	[●][(2)]

[(1)] Our Company and the Promoter Selling Shareholder may, 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/ Offer Opening Date.

[(2)] Our Company and the Promoter Selling Shareholder in consultation with the BRLM may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

Draft Red Herring Prospectus
Dated: September 28, 2023
(This DRHP will be updated upon filing with RoC)
(Please read Section 32 of Companies Act, 2013)
100% Book Build Issue

INDO FARM EQUIPMENT LIMITED

CIN: U29219CH1994PLC015132

Our Company "Indo Farm Equipment Limited", was originally incorporated as "*Welcut Tools Private Limited*" on October 05, 1994 at Chandigarh as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P. & Chandigarh. Further, our Company was converted into Public Limited Company pursuant to special resolution passed by the shareholders of our Company in their meeting held on June 29, 1999. There were multiple name changes of our Company between 1994 to 2009. Last name change of our Company was happened vide special resolution passed by the shareholders of our Company in their meeting dated October 24, 2009. We obtained a fresh Certificate of Incorporation on November 04, 2009 by Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. For further details, please refer to the chapter "*History and Certain Corporate Matters*" beginning on page no. 162 of this Draft Red Herring Prospectus

Registered Office: SCO 859 N.A.C Manimajra Kalka Road Chandigarh 160101, India; **Tel No.:** 0172-2730060;
Email: compliance@indofarm.in; **Website:** www.indofarm.in; **Contact Person:** Navpreet Kaur, Company Secretary and Compliance Officer.

OUR PROMOTERS: RANBIR SINGH KHADWALIA AND SUNITA SAINI

INITIAL PUBLIC OFFER OF UP TO 14,000,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF INDO FARM EQUIPMENT LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] MILLIONS ("THE OFFER") COMPRISING OF A FRESH ISSUE OF UP TO 10,500,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLIONS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,500,000 EQUITY SHARES BY RANBIR SINGH KHADWALIA ("THE PROMOTER SELLING SHAREHOLDER") AGGREGATING TO ₹ [●] MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE 29.14% OF THE FULLY DILUTED POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Further, our Company and the Promoter Selling Shareholder, in consultation with the BRLM, is considering a Pre-IPO placement of up to upto 1,900,000 Equity Shares for an aggregate amount to ₹ [●] million. The Pre-IPO Placement will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLM and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Offer Size constituting at least 25% of the Post-Offer paid-up Equity Share capital of our Company

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND HINDI EDITION OF THE REGIONAL DAILY NEWSPAPER [●] (HINDI BEING THE REGIONAL LANGUAGE OF CHANDIGARH, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations and through the Book Building Process, wherein [●] (not more than 50%) of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company and the Promoter Selling Shareholder 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 ("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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, [●] (not less than 15%) of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and [●] (not less than 35%) of the Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are 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 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 Offer through the ASBA process. For details, please see "*Offer Procedure*" on page no. 341 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price as determined and justified by our Company and the Promoter Selling Shareholder in consultation with the BRLM, in accordance with the SEBI ICDR Regulations, as stated under "*Basis for Offer Price*" on page no. 88 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/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 the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (**SEBI**), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors"* on page no. 24 of this Draft Red Herring Prospectus.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility that this Draft Red Herring Prospectus contains all information about it as Promoter Selling Shareholder in the context of the Offer for Sale and further severally assumes responsibility for statements in relation to it included in this Draft Red Herring Prospectus and the Equity Shares offered by it in the Offer and that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an "in-principle" approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance under Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, please see "*Material Contracts and Documents for Inspection*" on page no. 376 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
ARYAMAN FINANCIAL SERVICES LIMITED 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001 **Tel:** +91 – 22 – 6216 6999; **Email:** ipo@afsl.co.in; **Investor Grievance Email:** feedback@afsl.co.in; **Website:** www.afsl.co.in **Contact Person:** Mr Deepak Biyani/ Mr Vatsal Ganatra **SEBI Registration No.:** INM000011344	**MAS Services Limited** T-34 2nd floor, Okhla industrial area phase II, New delhi 110020, India. **Tel:** 011-26387281-83, 011-41320335; **Email:** ipo@masserv.com ; **Website:** www.masserv.com **Contact Person:** N.C. Pal **SEBI Registration No.:** INR000000049

BID / OFFER PROGRAMME

BID / OFFER OPENING DATE: [●] [(1)]	BID / OFFER CLOSING DATE: [●] [(2)]

[(1)] Our Company and the Promoter Selling Shareholder may, 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/ Offer Opening Date.

[(2)] Our Company and the Promoter Selling Shareholder in consultation with the BRLM may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, 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 Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder

Notwithstanding the foregoing, terms in "Industry Overview", "Key Regulations and Policies", "Statement of Tax Benefits", "Financial Information", "Basis for Offer Price", "Outstanding Litigation and Other Material Developments" and "Main Provisions of Articles of Association", on page nos. 96, 147, 93 192, 88, 296 and 363 of this Draft Red Herring Prospectus will have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
The Company / our Company / The Issuer	Indo Farm Equipment Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at SCO 859 NAC Kalka Road, Manimajra, Chandigarh 160101, India.
"we", "us" or "our"	Unless the context otherwise indicates or implies, our Company together with its Subsidiary, on a consolidated basis.

Company related Terms

Term	Description
AoA/ Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, described in "*Our Management*" on page 168 of this Draft Red Herring Prospectus.
Auditors / Statutory Auditors	Deepak Jindal & Co being the current Statutory Auditor of our Company.
Board of Directors / Board	The Board of Directors of Indo Farm Equipment Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Chief financial officer of our Company is Varun Sharma.
Chairman	Ranbir Singh Khadwalia, the Chairman of our Company.
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Navpreet Kaur
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013, described in "*Our Management*" on page 168 of this Draft Red Herring Prospectus
Director(s)	Director(s) of, Indo Farm Equipment Limited unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Executive Directors(s)	Executive Directors(s) on our Board
Group Companies	Companies (other than our Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in "*Our Group Companies*" on page no. 190 of this Draft Red Herring Prospectus.
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an Independent

Term	Description
	Director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled "*Our Management* "beginning on page no. 168 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE622H01018.
Key Management Personnel / KMP	Key Managerial Personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations as disclosed in "*Our Management*" on page no. 168 of this Draft Red Herring Prospectus.
Materiality Policy	Policy adopted by our Company, in its Board meeting held, August 25, 2023 for identification of group companies, material creditors and material litigations.
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, described in "*Our Management*" on page 168 of this Draft Red Herring Prospectus
Promoter(s) / Core Promoter	The Promoters of our Company are Ranbir Singh Khadwalia and Sunita Saini
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in "*Our Promoter and Promoter Group*" on page no. 186 of this Draft Red Herring Prospectus.
Promoter Selling Shareholder(s) / Selling Shareholder(s)	Ranbir Singh Khadwalia
Registered Office	The Registered Office of our Company situated at SCO 859 NAC Manimajra Kalka Road, Chandigarh 160101, India.
Registrar of Companies / RoC	Registrar of Companies, Chandigarh situated at 1ST Floor, Corporate Bhawan Plot No.4-B, Sector 27-B, PIN-160019, Chandigarh, India.
Restated Consolidated Financial Statements	The Restated Consolidated Financial information of our Company, along with our Subsidiary, comprising of the Restated Consolidated summary statements of assets and liabilities as at March 31, 2023, March 31, 2022, and March 31, 2021 and the restated consolidated summary statements of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 of the Company together with its notes, annexures and schedules are derived from our audited consolidated financial statements prepared in accordance with Ind AS 34 and our audited consolidated financial statements for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.
Risk Management Committee	Risk Management Committee of our Company, constituted in accordance with the applicable provisions of the SEBI Listing Regulations, described in "*Our Management*" on page 168 of this Draft Red Herring Prospectus
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, described in "*Our Management*" on page 168 of this Draft Red Herring Prospectus
Subsidiaries	The subsidiary of our Company as described in "*Our Subsidiary*" beginning on page no. 166 of this Draft Red Herring Prospectus.

Offer Related Term

Term	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary (ies) to a Bidder as proof of registration of the Bid cum Application Form.
Allot / Allotment /Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale, in each case

Term	Description
	to the successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment, sent to the each Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allottees	A successful Bidder to whom the Equity Shares are allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Manager.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bid / Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Escrow Account	The account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH / NECS / direct credit / NEFT / RTGS in respect of the Bid Amount when submitting a Bid.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Manager.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Bidder (other than Anchor Investors) to make a Bid authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs 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 Bidders linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Bidders Bidding through the UPI Mechanism.
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by the ASBA Bidders and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled "*General Information*" on page no.58 of this Draft Red Herring Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Public Offer Bank, Sponsor Bank and Refund Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to the Offer with whom the Escrow Agreement is entered and in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the chapter titled "*Offer Procedure*" beginning on page

Term	Description
	no.341 of this Draft Red Herring Prospectus.
Bid	Indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Biding date 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 payable by the Bidder and, in the case of Retail Individual Bidders Bidding at the 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 Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	The form, whether physical or electronic, used by a Bidder, to make a Bid and which will be considered as a Bid for Allotment in terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, being [●], and which shall be notified in all editions of the [●] (widely circulated English National Daily Newspaper), all editions of [●] (widely circulated Hindi National Daily Newspaper) and edition of [●] (a widely circulated Hindi daily newspaper, Hindi, being the regional language of Chandigarh, where our Registered Office is located) and in case of any revision, the extended Bid / Offer Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations, 2018 and also intimated to SCSBs, the Sponsor Bank and the Designated Intermediaries.
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids being [●], and which shall be notified in all editions of [●] (widely circulated English National Daily Newspaper) all editions of the [●] (widely circulated Hindi National Daily Newspaper) and edition of [●] (a widely circulated Hindi daily newspaper, Hindi, being the regional language of Chandigarh, where our Registered Office is located) and in case of any revision, the extended Bid / Offer Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations, 2018 and also intimated to SCSBs, the Sponsor Bank and the Designated Intermediaries.
Bid / Offer Period	Except in relation to Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Promoter Selling Shareholder may, in consultation with the BRLM, consider closing the Bid/Offer Period for the QIB Portion one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor.
Bidding Centres	The centres at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in

Term	Description
	terms of which the Offer is being made.
Book Running Lead Manager / BRLM	Aryaman Financial Services Limited.
Broker Centre	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms (in case of RIBs only ASBA Forms under UPI) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted (including any revisions thereof). The Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement dated [●] entered into amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLM, and Banker(s) to the Issue in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant" or "CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the websites of BSE and NSE.
Collecting Registrar and Share Transfer Agents / CRTAs	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 and the UPI Circulars issued by SEBI.
Cut-off Price	The Offer Price, finalised by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Manager, which shall be any price within the Price Band. Only Retail Individual Bidders bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation and bank account details and UPI ID wherever applicable.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at 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.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs and CRTAs.

Term	Description
	In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and CRTAs.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yesor at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated September 28, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda and corrigenda thereto.
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares.
Escrow Account	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors, will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow and Sponsor Bank Agreement	The agreement to be entered amongst our Company, the Book Running Lead Manager, the Bankers to the Offer and the Registrar to the Issue, in accordance with the 2018 Circular on Streamlining of Public Issues), for the appointment of the Sponsor Bank, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Escrow Collection Bank(s)	The Bank(s) which is/are clearing members and registered with SEBI as banker to an Offer and with whom the Escrow Account(s)will be opened, in this case being [●]
First or Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of join Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares.
Fresh Issue	Fresh Issue of upto 10,500,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Shares aggregating up to ₹ [●] million by our Company.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
IPO	Initial Public Offer
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted Post Issue equity share capital of our Company held by our Promoters which shall be provided towards minimum promoters' contribution and locked in for a period of 18 months from the date of Allotment.
Monitoring Agency	[●]
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the Net QIB Portion or up to [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being

Term	Description
	received at or above the Offer Price.
Net Proceeds / Net Offer Proceeds	Proceeds of the Offer that will be available to our Company i.e. gross proceeds of the Fresh Issue, less Offer expenses to the extent applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page no. 76 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers (including Anchor Investors) and Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of upto [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lakh rupees and up to ten lakh rupees; (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ten lakh rupees: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs.
Offer	The initial public offer of upto [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a securities premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] millions.
Offer Agreement	The agreement dated September 25, 2023, entered amongst our Company, the Promoter Selling Shareholder, and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Offer Proceeds	The gross proceeds of the Offer which shall be available to our Company, based on the total number of Equity Shares Allotted at the Offer Price. For further information about use of the Offer Proceeds, see *"Objects of the Offer"* on page no. 76 of this Draft Red Herring Prospectus.
Offer for Sale	Offer of up to [●] Equity Shares at ₹ [●] aggregating to up to ₹ [●] to be offered for sale by the Promoter Selling Shareholder pursuant to the Offer.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in all editions of [●] (widely circulated English National Daily Newspaper), all editions of [●] (widely circulated Hindi National Daily Newspaper) and edition of [●] (Hindi being the regional language of Chandigarh, where our Registered Office is located) along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Manager, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and

Term	Description
	the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	A bank account to be opened under section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
Public Offer Bank	A bank which is a clearing member and registered with SEBI as a Banker to an Offer and with whom the Public Offer Account will be opened, in this case being [●].
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than [●]% (not more than 50%) of the Offer or up to [●] Equity Shares, which shall be available for allocation to QIBs, including the Anchor Investors, subject to valid Bids being received at or above the Offer Price.
Qualified Institutional Buyers or QIBs or QIB Bidders	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus or 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 Issued and the size of the Offer including any addenda or corrigenda thereto. The Bid/Offer Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account	The account to be 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	The bank which is a clearing member and registered with SEBI as a Banker to an Offer and with whom the Refund Account will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Book Running Lead Manager and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
Registrar Agreement	The agreement dated September 18, 2023 entered amongst our Company, the Promoter Selling Shareholder and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar to the Offer /Registrar	MAS Services limited
Retail Individual Investor(s) / RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being [●] % (not less than 35%) of the Offer consisting of not less than [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can withdraw or revise their Bids until Bid/Offer Closing Date.
Self-Certified Syndicate Bank(s) or "SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time

Term	Description
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, being [●].
Share Escrow Agreement	Agreement dated [●] entered into between our Company, the Promoter Selling Shareholder, the Share Escrow Agent and the Book Running Lead Manager in connection with the transfer of Equity Shares under the Offer for Sale by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank	[●], being the Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	The agreement dated [●] amongst our Company, the Promoter Selling Shareholder, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bids by the members of the Syndicate.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or members of the Syndicate	Book Running Lead Manager and the Syndicate Members.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement to be entered amongst our Company, the Promoter Selling Shareholder and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The 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, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 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/P/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/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an RIB to make a Bid in the Offer in accordance the UPI Circulars to make an ASBA Bid in the Offer.
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Mumbai are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working

Term	Description
	Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Technical / Industry related Terms

Term	Description
2WD	2 Wheel Drive
4WD	4 Wheel Drive
AEs	Advanced Economies
ASEAN	Association of Southeast Asian Nations
Auto CAD	Automated Computer Aided Design
BIS	Bureau of Indian Standards
BSIII	Bharat Stage III(Emission Norms)
BSIV	Bharat Stage IV(Emission Norms)
CFMTTI	Central Farm Machinery Training & Testing Institute
CMesh	Constant Mesh
CMVR	Certificate of Control of Motor Vehicles Rules
CRAR	Capital to risk Asset Ratio
CSIR-CMERI	Central Mechanical Engineering Research Institute
DARE	Department of Agricultural Research and Education
DC	Dual Clutch
DCU	Directional Control Valve
DPD	Days Passes Due
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
EPCG	Export Promotion Capital Goods
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FATCA	Foreign Account Tax Compliance Act
FOB	Free on Board
GHG	Green House Gas
GIFT	Gujarat International Finance Tec-City
GNP	Gross Non-Performing Assets
HP	Horse Power
ICAR	Indian Council of Agricultural Research
ICAT	International Centre for Automotive Technology
IMF's	International Monetary Fund
ISO	International Organization for Standardization
MCLR	Marginal Cost Lending Rate
MENA	Middle East and North Africa
MMT	Million Metric Tonnes
NCAER	National Council of Applied Economic Research
NIM	Net Interest Margin
NNP	Net Non-Performing Asset
NPA	Non-Performing Asset
OIB	Oil Immersed Brakes
PFIC	Passive Foreign Investment Company
PS	Power Steering
PTO	Power Take Off
RFID	Radio Frequency Identification
RLLR	Repo linked lending rates
RoDTEP	Remission of duties & Taxes on Exported Products
RoPS	Rollover protective Safety System
RPTO	Reverse Power Take off
SAP	Systems Applications & products in data proceesing
SC	Single Clutch

Term	Description
SCI	Safe Load Indicator
SMAM	Sub Mission on Agricultural Mechanization

Conventional Terms / General Terms / Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AED	United Arab Emirates Dirham
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AUM	Assets under Management
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I Alternate Investment Fund / Category I AIF	AIFs that are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs that are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs that are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations.
CDSL	Central Depository Services (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant's beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
Demat	Dematerialised
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India(Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP/ Depository Participant	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification Number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce

Term	Description
	and Industry, Government of India.
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GBP	Great Britain Pound
GDP	Gross Domestic Product
GNI	Gross National Income
GoI/Government	Government of India
GPS	Global Positioning Systems
GST	Goods & Services Tax
HK$	Hong Kong Dollar
HNIs	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR/Indian Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India
IIP	Index of Industrial Production
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	The Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Companies Act, read with the Companies (Accounts) Rules, 2014
IPO	Initial Public Offer
IRACP	Income Recognition, Asset Classification and Provisioning
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
MCA	Ministry of Corporate Affairs, Government of India.
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended from time to time.
Mn/mm	Million
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding

Term	Description
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-banking financial company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
"NR"/ "Non-resident"	A person resident outside India, as defined under the FEMA and includes an NRI
NRE Account	Non Resident External Account
NRIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
Patents Act	The Patents Act, 1970
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PPP	Purchasing Power Parity
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
RoAs	Return on Assets
Rupees / Rs. / M	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
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.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI LODR Regulations,	Securities and Exchange Board of India (Listing Obligations and Disclosure

Term	Description
2015 / SEBI Listing Regulations	Requirements) Regulations, 2015, as amended from time to time.
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
TAN	Tax deduction account number
TIN	Taxpayers Identification Number
Trademarks Act	The Trademarks Act, 1999
TDS	Tax Deducted at Source
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
US/United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
U.S. Securities Act	United States Securities Act of 1933
VAT	Value Added Tax
VCFs / Venture Capital Funds	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	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India. In this Draft Red Herring Prospectus, our Company has presented numerical information in "millions" units. One million represents ₹ 1,000,000.

This Draft Red Herring Prospectus may contain conversions 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. 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.

Financial Data

Unless stated otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Financial Information*" beginning on page no. 192 of this Draft Red Herring Prospectus.

Restated Consolidated Financial Information consists of restated consolidated statements of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and the restated consolidated statements of profit and loss, cash flow statement and changes in equity for the year ended March 31, 2023,March 31, 2022 and March 31, 2021 of our Company together with the statement of significant accounting policies, and other explanatory information thereon, derived from the audited consolidated financial statements of our Company as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with the annexures and notes thereto, and the examination report thereon, prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page nos. 24, 123 and 257 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA margin, RoCE, RoE, return on net worth, working capital
, net worth, net asset value per share and debt equity ratio have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of India; and

- "USD" or "US$" are to the United States Dollar, the official currency of the United States;

Exchange Rates

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

The exchange rates of USD, EURO and GBP into Indian Rupees for the periods indicated are provided below:

Currency	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
1USD	82.22	75.81	73.50
I EUR	89.61	84.66	86.10
1 GBP	101.87	99.55	100.95

***Source**: RBI / Financial Benchmark India Private Limited*

Definitions

For definitions, please refer the Chapter titled "*Definitions and Abbreviations*" on page no. 1 of this Draft Red Herring Prospectus. In the Section titled "*Main Provisions of Articles of Association*" beginning on page no. 363 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus is derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the B2K Analytics Report dated September 27, 2023, which has been commissioned by our Company from B2K Analytics. For risks in relation to commissioned reports, see "Risk Factors" beginning on page 24 of this Draft Red Herring Prospectus. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page no 88 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors; including those discussed in "*Risk Factors*" on page no 24 of this Draft Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which include statements with respect to our business strategy, our revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements include statements with respect to our business strategy, our expected revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "will continue", "seek to", "will achieve", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This could be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes in the industry we operate in and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India that may have an impact on our business or investments, monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates and prices, the general performance of Indian and global financial markets, changes in the competitive landscape and incidence of any natural calamities and/or violence. Significant factors that could cause our actual results to differ materially include, but are not limited to:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.
- We are subject to extensive statutory and regulatory requirements and supervision, which have material influence on, and consequences for, our business operations.
- Certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substance;
- There are operational risks associated with our business which, if realized, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Our ability to successfully implement our growth strategy and expansion plans;
- Volatility of Loan interest rates and inflation;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inability to adequately protect our trademarks;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities and
- Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page nos. 24, 123, and 257 of this Draft Red Herring Prospectus, respectively.

Neither our Company, our Directors, our Promoter, the Promoter Selling Shareholder, the BRLM 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 will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – OFFER DOCUMENT SUMMARY

A. Our Company

Incorporated in 1994, our Company, Indo Farm Equipment Limited is a more than two decade old fully integrated manufacturer of world class Tractors, Pick & Carry Cranes and other farm equipments such as harvester combines, rotavators and other related spares and components. We also operate asset financing business (with focus on retail financing of tractors) through our wholly owned subsidiary, which is a RBI registered NBFC. For further details please refer chapter titled “Our Business” beginning on page 123 of this Draft Red Herring Prospectus.

Industry Overview

The Global Tractor Market is projected to grow from USD 78.98 billion in 2023 to USD 104.69 billion by 2030. The India Tractor Market size was evaluated to be at USD 7.54 billion in 2020 and has been anticipated to reach USD 12.70 billion by 2030. Today India is one of the largest Tractor producing countries of the world. *(Source: B2K Analytics Industry Report*

Globally the mobile crane market size is anticipated to grow from USD 19.78 billion in 2023 to USD 27.29 billion by 2028. Pick and Carry Crane is a type of mobile crane which is used for material handling.
(Source: B2K Analytics Industry Report)

For further details please refer “*Industry Overview*” beginning on page no. 96 of this Draft Red Herring Prospectus.

B. Our Promoter

Our Company is promoted by Ranbir Singh Khadwalia and Sunita Saini.

C. Size of the Offer

Equity Shares Offered: **Present Offer of Equity Shares by our Company and the Promoter Selling Shareholder**	Up to 14,000,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] millions.
The Offer consists of:	
Fresh Issue	Up to 10,500,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] millions.
Offer for Sale	Up to 3,500,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] millions.

D. Object of the Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by our Promoter Selling Shareholder.

The Offer for Sale

Our Promoter Selling Shareholder proposes to sell up to 3,500,000 Equity Shares held by him, aggregating to ₹ [●] millions. Our Company will not receive any proceeds of the Offer for Sale by our Promoter Selling Shareholder.

Utilisation of Net Issue Proceeds:

We intend to utilise the Net Proceeds of the Fresh Issue (“Net Proceeds”) of ₹ [●] millions for financing the objects as set forth below:

(₹ in millions)

Sr. No.	Particulars	Amount
1	Setting up new Dedicated Unit for Expansion of our Pick & Carry Cranes Manufacturing Capacity	706.15
2	Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	600.00
3	Further Investment in our NBFC Subsidiary (Barota Finance Ltd.) for financing the augmentation of its capital base to meet its future capital requirements.	450.00

Sr. No.	Particulars	Amount
4	General Corporate Purposes[1]	[●]

[1] *To be determined on finalisation of the Offer Price and updated in the Prospectus. The amount utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds of the Offer*

E. Pre - Offer Shareholding of our Promoter, Promoter Group and the Selling Shareholder as a percentage of the paid-up share capital of the Company

Sr. No.	Category of Promoter	Pre-Offer	
		No. of Equity Shares	Percentage of capital (%)
Promoters			
1	Ranbir Singh Khadwalia*	20,326,400	54.13
2	Sunita Saini	10,650,348	28.36
Sub-Total (A)		**30,976,748**	**82.49**
Promoter Group			
1	M/s Futuristic Mining and Construction Solutions LLP	4,371,960	11.64
2	Anshul Khadwalia	997,332	2.66
3	Sat Prakash Mittal	519,960	1.38
4	M/s Kyoor Healthcare Limited	367,200	0.98
5	Shubham Khadwalia	154,400	0.41
6	Preeti Mittal	84,000	0.22
7	Ankit Mittal	80,000	0.21
Sub-Total (B)		**6,574,852**	**17.51**
Total (A+B)		**37,551,600**	**100.00**

**Our Promoter i.e., Ranbir Singh Khadwalia is also our Promoter Selling Shareholder.*

F. Summary of Restated Consolidated Financial Information

(₹ in millions)

Particulars	For the year ended March 31,		
	2023	2022	2021
Share Capital	187.76	187.76	93.88
Net Worth	2,905.66	2,748.03	2,612.46
Total Income (Including Other Income)	3,718.18	3,526.13	2,685.88
Profit after tax	155.64	137.19	84.92
Basic and Diluted EPS	4.14	3.65	2.26
Net Asset Value per share*	154.76	146.36	278.31
Total Borrowings	2,806.53	2,750.01	2,347.79

** The Company had bonus shares in the ratio of 1:1 on August 22, 2023. Net Asset Value after considering this bonus Issue is ₹ 77.38/- per share*

G. Qualification of the Auditors

The Consolidated Financial Statements as Restated do not contain any qualification requiring adjustments by the Auditors.

H. Summary of Outstanding Litigation are as follows

A summary of outstanding litigation proceedings involving our Company, our Promoters and Directors and Subsidiary Company as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “Outstanding Litigations and Material Developments” beginning on page 296, in terms of the SEBI ICDR Regulations and the materiality policy is provided below:

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved to the extent ascertainable (₹ in million)
Company						
By our Company	8	3	-	-	4	37.98
Against our Company	5	1	-	-	28	75.77
Promoters and Directors						
By Promoters and Directors	-	-	-	-	2	Not Quantifiable
Against our Promoters and Directors	1	2	-	-	-	1.50
Subsidiary Company						
By our Subsidiary Company affecting business operations of our Company	106	-	-	-	-	48.25
Litigation against our Subsidiary Company affecting business operations of our Company	-	-	-	-	7	2.58

**The aforementioned amounts have been recorded to the extent they are quantifiable. The amounts mentioned above may be subject to additional interest amounts at the rates demanded/granted and/or penalties being levied by the concerned authorities for delay in making payment or otherwise. Amount of interest and/ or penalty that may be levied is unascertainable as on the date of this Draft Red Herring Prospectus.*

I. Risk Factors

Investors should read chapter titled "*Risk Factors*" beginning on page no.24 of this Draft Red Herring Prospectus.

J. Summary of Contingent Liabilities

(₹ in millions)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1.	Counter guarantee to bank	12.59	2.29	2.07
2.	Bond Executed by the Group in favour of DGFT	6.82	6.82	6.82
3.	Claims against the Group not acknowledged as debts	40.57	31.23	29.73
4.	Excise matters in dispute #	30.37	30.37	30.37
5.	Consumer cases in dispute/Under appeal*	25.83	23.17	24.07
6.	Bill Discounting	61.27	-	57.85
7.	Income Tax matters in dispute##	4.94	3.12	3.12
8.	**Total**	**182.39**	**96.99**	**153.38**

Excise cases related to years November 2003-January 2005 was already decided in favour of Group by Commissioner (Appeals), Customs and Central Excise, Chandigarh and the demand was deleted.
However, the department has elected to file appeal against order with Customs Excise and Service Tax Appellate Tribunal (CESTAT).
The management is hopeful that, same will decided in favour of Group and no material liability will devolve on the Group in respect of these matters.

The Group believes, these claims are not tenable and chances of claim materializing are remote. The Group is certain of getting a favorable judgement in the favour of the Group.

* Interest and claims by customers, suppliers, lenders and employees may be payable as and when the outcome of the related matters are finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Group in respect of these matters.
For further information, please see *"Financial Information"* beginning on page no.192 of this Draft Red Herring Prospectus.

K. Summary of Related Party Transactions

A summary statement of the related party transactions and its % impact on our consolidated financial statements is entailed below:

(₹ in millions)

Particulars	For the year ended March 31,			Total of 3 years
	2023	2022	2021	
Expenses:				
Remuneration	52.29	49.03	48.97	150.29
Rent	4.82	2.60	3.20	10.62
Sitting Fee Paid	0.3	0.16	0.18	0.64
Professional Charges	-	1.60	-	1.60
(Sub-total of expenses)	57.41	53.39	52.35	163.15
% of Total expenses	1.64%	1.60%	2.04%	1.74%
Transaction of Borrowings				
Unsecured Loans (Accepted)	0.60	-	-	0.60
Unsecured Loans (Repaid)	0.60	-	12.55	13.15
	1.20	**-**	**12.55**	**13.75**
Liabilities:				
Employee Benefit Payable	3.11	3.05	2.66	8.82
Rent Payable	-	0.45	-	0.45
(Sub-total of Current Liability)	3.11	3.50	2.66	9.27
% of Total Current Liability	0.14%	0.16%	0.14%	0.50%
Assets:				
Security Deposit	1.50	1.50	-	3.00
(Sub-total of Non-Current Asset)	1.50	1.50	-	3.00
% of Total Non- Current Asset	0.05%	0.05%	0.00%	0.03%

L. Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

M. Weighted Average Price of the Equity Shares acquired by our Promoters and Selling Shareholder in the last one year preceding the date of this Draft Red Herring Prospectus

Except Bonus Shares, our Promoter and Selling Shareholder have not acquired any shares in the last one year preceding the date of this Draft Red Herring Prospectus
As per Certificate issued by our Statutory Auditors dated September 19, 2023

N. Average Cost of Acquisition

The average cost of acquisition per Equity Share to our Promoters and Selling Shareholder as at the date of this Draft Red Herring Prospectus is:

Name of Promoters & Selling Shareholder	Average Cost of Acquisition (₹)
Ranbir Singh Khadwalia	2.11
Sunita Saini	3.67

Note: As per Certificate issued by our Statutory Auditors dated September 19, 2023

O. Pre-IPO Placement details

Our Company and the Promoters Selling Shareholder, in consultation with the BRLM, is considering a Pre-IPO placement of up to 1,900,000 Equity Shares for an aggregate amount to ₹ [●] millions. The Pre-IPO Placement will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLM and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Offer Size constituting at least 25% of the Post-Offer paid-up Equity Share capital of our Company.

P. Issue of Equity Shares for consideration other than cash in the last one year

Except Bonus Shares, no Equity Shares have been issued by our Company for consideration other than cash in last one year as on the date of this Draft Red Herring Prospectus. For further details, please refer "*Capital Structure*" on page no.65 of this Draft Red Herring Prospectus.

Q. 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 year preceding the date of this Draft Red Herring Prospectus.

R. Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities Laws.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below 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 off 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, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Offer, including the merits and risks involved. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. Investors should not invest in this Offer unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

To obtain a better understanding of our business, you should read this section in conjunction with other chapters of this Draft Red Herring Prospectus, including the chapters titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview "and "Financial Information" on page nos.123, 257, 96 and 192 respectively of this Draft Red Herring Prospectus, together with all other financial information contained in this Draft Red Herring Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

Unless otherwise stated, the financial data in this chapter is derived from our Restated Consolidated Financial Statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 as included in "Financial Information" on page no.192 of this Draft Red Herring Prospectus.

1. ***Our Company, its Promoters, its Directors, and our Subsidiary 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, its Promoters, its Directors, and our Subsidiary are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Promoters/Directors, and our Subsidiary as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on August 25, 2023.

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved to the extent ascertainable (₹ in million)
Company						
By our Company	8	3	-	-	4	37.98
Against our Company	5	1	-	-	28	75.77
Promoters and Directors						
By our Promoters and Directors	-	-	-	-	2	Not Quantifiable

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigations	Aggregate amount involved to the extent ascertainable (₹ in million)
Against our Promoters and Directors	1	2	-	-	-	1.50
Subsidiary Company						
By our Subsidiary Company affecting business operations of our Company	106	-	-	-	-	48.25
Litigation against our Subsidiary Company affecting business operations of our Company	-	-	-	-	7	2.58

**The aforementioned amounts have been recorded to the extent they are quantifiable. The amounts mentioned above may be subject to additional interest amounts at the rates demanded/granted and/or penalties being levied by the concerned authorities for delay in making payment or otherwise. Amount of interest and/ or penalty that may be levied is unascertainable as on the date of this Draft Red Herring Prospectus.*

There can be no assurance that these litigations will be decided in favour of our Promoters/Directors, and our Subsidiary, respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases please refer the chapter titled "Outstanding Litigations and Material Developments" beginning on page 296 of this Draft Red Herring Prospectus.

2. ***We derive a significant portion of our revenue from the sale of tractors & Pick & Carry cranes and any reduction in demand or in the manufacturing of such products could have an adverse effect on our business, results of operations and financial condition.***

   Our total revenue from sale of manufactured goods has grown in the last three years, from Rs. 2,517.60 million in FY 2021, Rs. 3,308.67 million in FY 2022 to Rs. 3,466.16 million in FY 2023. We derive a significant portion of our revenue from tractor and Pick & Carry crane business. The product wise break up of our sale of goods is entailed below:

(₹ in millions)

Particular	FY 2020-21			FY 2021-22			FY 2022-23		
	Qty	Amount	% of Sales	Qty	Amount	% of Sales	Qty	Amount	% of Sales
Tractors	3,020	1,744.76	69.30%	4,663	2,573.21	77.77%	3,772	2,268.92	65.46%
Cranes	525	764.70	30.37%	449	721.26	21.80%	681	1,187.07	34.25%
Others	-	8.14	0.32%	-	14.20	0.43%	-	10.17	0.29%
Total Sale of Products		**2,517.60**	**100%**		**3,308.67**	**100.00%**		**3,466.16**	**100.00%**

Demand for our tractors and farm equipment are dependent on various factors including but not limited to:

- Monsoons and agriculture related natural factors which affects farmers discretionary incomes
- Availability of credit to farmers
- Government incentives and policies governing tractors and farm equipments
- Launch of newer technologies by competitors

- Price and Discount Offerings by competitors
- Brand Perception of our Tractors

Demands for our Pick & Carry Cranes are dependent on various factors including but not limited to:

- Level of Infrastructure development in the arears wherein we supply our cranes
- Product Acceptance in other countries apart from India
- Disposable Income of Small Infra Operators
- Technological innovations in Infra field
- Regulations w.r.t safety standards in Infra space
- Price and Discount Offerings by competitors
- Brand Perception of our Cranes

Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations, financial condition, and cash flows. Any factor which affects the demand for our products would lead us to change our manufacturing as well as marketing strategies and set ups and could entail additional cost outlay and losses. Further, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the government could adversely affect our manufacturing and distribution activities, further resulting in modification of our business strategy, or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition, results of operations, and cash flows. The occurrence of, or our inability to effectively respond to, any unfavorable 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.

3. ***If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.***

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. Further, in the future, we may also be required to obtain new licenses, registrations and approvals for any proposed or upcoming projects, including any expansion of existing projects. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. 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. Our Company has applied for certain approvals and the receipt of the same are pending as on date of this Draft Red Herring Prospectus such as Consent to Establish for our proposed unit

For further details on the licenses obtained by us and licenses for which renewal and other applications have been made, please see the chapter titled “Government and Other Statutory Approvals” beginning on page 306 of this Draft Red Herring Prospectus.

4. ***Our proposed expansion plans w.r.t our new manufacturing facilities being set up are subject to the risk of unanticipated delays in implementation and cost overruns.***

We have made and intend to continue making investments to expand our manufacturing capacities to aid our growth efforts. We have proposed capacity expansion project for the Pick & Carry Crane segment which is to be set-up on lands allotted to us on an leasehold basis on a total area of 1,12,950 Sq. mtr at Baddi, Dist Solan, Himachal Pradesh. The said facility was approved to be built vide board resolution dated January 27, 2023. The said plant shall have an estimated installed capacity of 3,600 Cranes p.a

Our Proposed expansion remains subject to the potential problems and uncertainties that new manufacturing projects face including delays in achieving production value/quality milestones and related design changes if any. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, land possession and land development related complications, inadequate performance of the equipment and machinery installed in our manufacturing facilities, 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, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. If any incremental capital expenditures are required which 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.

For further details, see chapter "O*bject of the Offer*" beginning on page no. 76 of this Draft Red Herring Prospectus. Further, in the event of any unanticipated delay in receipt of key approvals the growth plans of our company could suffer substantially.

There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

5. We have not yet placed orders in relation to the capital expenditure to be incurred for the proposed expansion project. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the machines and equipments in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.

We intend to utilize portions of the Net Proceeds for funding capital expenditure requirements for our manufacturing facility located at Industrial Area, Malku Majra (near bhud) Tehsil Baddi,, Dist. Solan, H.P. While we have procured quotations from various vendors in relation to the capital expenditure to be incurred for the proposed unit, we have not placed any firm orders for any of them. For details in respect of the foregoing, see "*Objects of the Offer*" on page 76 of this Draft Red Herring Prospectus. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns for the Proposed Unit. Further, if we are unable to procure the requisite raw materials from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the raw materials which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

6. We do not have long-term agreements with suppliers for our raw materials which may lead to an increase in the cost of, or a shortfall in the availability of raw materials.

Our business depends on the availability of reasonably priced, quality raw materials which are in the form of MS & SS Steel ,electrical & rubber components, oil & Lubricants, fuel, and various other proprietory compnents etc. Our Cost of materials consumed for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 were ₹ 2,255.17. million, ₹ 1,996.40 million and ₹ 1,481.87 million respectively or 60.65 %, 56.62 %, and 55.17 % of our total revenue, respectively. The price and availability of such raw materials depend on several factors beyond our control, including overall economic conditions, availability levels, market demand & competition for such raw materials, transportation costs, duties & taxes and trade restrictions. We discuss our annual plans with our suppliers and procurement is done through rolling plan on monthly basis. We have historically passed on the increase in costs of the raw materials & other input cost to our customers. However, our cash flows may still be adversely affected because of any time gaps between the date of procurement of those raw materials and date on which we pass on the fresh pricing to our customers to account for the increase in the prices of such raw materials. We also face a risk that one or more of our existing suppliers may discontinue these supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our operations.

7. ***Pricing pressure may adversely affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.***

Pricing pressure from dealers is characteristic of the industry in which we operate. Virtually all agricultural Tractor dealers pursue aggressive but systematic price reduction initiatives and objectives each year with their Manufacturers, and such actions are expected to continue in the near future. Pursuing cost cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Such price reductions may increase our sales but our profit margins will reduce.

Additionally, our business is very capital intensive, requiring us to maintain a large fixed cost base. Therefore, our profitability is dependent, in part, on our ability to spread fixed production costs over higher production volume. However, our dealers generally negotiate for larger discounts in price as the volume of their orders increase. If we are unable to generate sufficient production cost savings in the future to offset price reductions or if there is any reduction in demand for our products, which will result in decreased sales, our gross margin and profitability may be materially adversely affected.

8. ***Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees could adversely affect our business and results of operations.***

Our Company is exposed to strikes and other industrial actions. There is one registered workers union of our workmen. In the past, our Company has experienced disputes with our workers, including a strike, which was resolved by entering into an Agreement of Settlement dated February 15, 2014. As on June 23, 2023, our Company has 678 full-time employees including workers. While presently we enjoy a good relationship with our employees, there can be no assurance that the trade union of our workmen may not make any further demands. There can be no assurance that we may not experience disruptions in our operations due to disputes or other problems with our work force such as strikes, work stoppages or increased wage demands that may adversely affect our business and results of operations.

9. ***Our Company is currently a regional player and derives substantial revenue from north India and hence faces geographical concentration related risks.***

We manufacture Tractors and Pick & Carry cranes from our single manufacturing facility at Baddi, Himachal Pradesh. Further our new proposed project is also being set up at Baddi, Himachal Pradesh. Himachal Pradesh is prone to various hazards both natural and manmade including Earthquakes and floods. Due to the geographic concentration of our manufacturing operations and the operations of certain of our suppliers, our operations are prone to various hazards both natural and manmade. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in shipments of our products and/or otherwise materially adversely affect our business, financial condition and results of operations.

Further, being a regional player, we derive substantial portion of our revnue from northern India, primarily states of Himachal Pradesh, Punjab, Haryana and Uttar Pradesh. Being a regional player we are hence dependent on local level demand and supply dynamics. Any adverse development in these states which could affect the demand for our product will in turn affect our results of operations and financial conditions.

10. ***We are dependent on retail financing support from Banks and NBFCs.***

Tractors are primarily bought by farmers and the purchase decision is heavily dependent on availability of vehicle finance to such customers. Being a regional player in tractors, we did not enjoy large scale retail financing support from leading banks and NBFCs as compared to our competitiors. Over the years we have created awareness for our product and customer acceptance. This has led to a slow and steady growth in the number of banks and NBFCs providing retail tractor financing for our products. Recently, leading private banks like HDFC, YES Bank have already started retail financing and Kotak Mahindra is also in the process of financing of our products and as we grow our operations we intend to augment these financial assistance facilities further. As far as our Pick & Carry cranes are concerned, almost all the private banks including HDFC, Kotak Mahindra, ICICI Bank, Axis bank, Yes Bank, Indusind Bank .Mahindra finance, Shriram finance and almost all other PSU Banks are financing our products. Our inability to receive retail financing support from Banks and NBFCs will in turn affect our ability to grow our sales and hence affect our results of operations and financial conditions.

11. A slowdown or shutdown in our manufacturing operations of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.

We manufacture our products through ISO 9001:2015 certified manufacturing units. All the products are sold in the domestic and export markets by our company under our brands. Our business is hence dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

12. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions principally include remuneration, rent, professional charges or benefits to Executive Directors and Key Managerial Personnel and other such routine transactions.

While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and all related party transactions that we may enter into post-listing, will be subject to Board or Shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations, in the interest of the Company and its minority Shareholders and in compliance with the SEBI Listing Regulations. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscal 2021, 2022 and 2023, the aggregate amount of such related party transactions was ₹ 64.90 million, ₹ 54.89 million and ₹ 58.61 million respectively. For further information on our related party transactions, see "Restated Financial Statements – Related party disclosure on page no. 240 of this Draft Red Herring Prospectus.

13. Our Promoter and members of Promoter Group have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoter and members of Promoter Group in connection with our Company's borrowings.

Our Promoter and our Promoter Group have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans. *For further details of the collateral securities offered to our secured lenders, please refer "Financial Indebtedness" on page 282 of this Draft Red Herring Prospectus.* Historically the company has maintained good financial discipline and there has been no instance of any delay and default in meeting any commitment towards lenders. However in the event of any default and these guaranteesmay be revoked and our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoter and Promoter Group, Director in connection with our Company's borrowings.

14. Failure to meet the quality standards required by the market and by auto industry regulators could materially adversely affect our results of operations and financial conditions

Our tractors and cranes emission standards have to be according to the Bharat Stage Emission Standards instituted by the Government of India to regulate the output of air pollutants from compression ignition engines and Spark-ignition engines equipment, including motor vehicles. The standards and the timeline for implementation are set by the Central Pollution Control Board under the Ministry of Environment, Forest and Climate Change.

Currently the following guidelines are applicable in India for manufacturing of Tractors & Cranes:

Capacity	Standard
Upto 50HP	Bharat Stage III (BS-III)
Above 50 HP	Bharat Stage IV (BS-IV)

The Government of India has already issued BS V norms to be complied for the Cranes segment which would become applicable from April 2024 onwards. We have initiated developing the BS-V norm complied engines for cranes which is expected to be completed by April 2024 & in case there is any delay in in our development we might have to procure such BS V complied engines from OEMs. Further, emission standards and guidelines for our products differ from country to country and our ability to adapt to such changes would be critical to our export business success. Secondly, newer products with higher standards and features if developed by our competitors, would require us to adapt our products to match the need of the market as and when it evolves from time to time basis.

Our inability to meet the quality standards required by the market and by auto industry regulators could materially adversely affect our results of operations and financial conditions.

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

As of March 31, 2023, we own and operate manufacturing facility in Baddi, Himachal Pradesh with an aggregate approved total installed capacity of 12,000 tractors and 720 cranes. The average utilization for the Fiscal 2021 to Fiscal 2023, is around 32% for tractors and is around 75% for cranes. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

16. Our business is subject to seasonality. Lower revenues in the harvest time of any Fiscal may adversely affect our business, financial condition, results of operations and prospects.

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. About 59% of the company's revenue comes from the tractor division. The tractor industry's cyclicality exposes it to fluctuations in the demand scenario with sensitivity to monsoons and farmer sentiments. Typically, we see an increase in our business before the harvest time for the next sowing season. Further we have has to maintain an adequate inventory prior to harvest season in order to meet surge in demand. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful or may not be indicative of our annual financial results or our results in any future quarters or periods.

17. We rely on third-party transportation providers for both procurements of our raw materials and distribution of our products. Any failures by any of our transportation providers to deliver our raw materials or our products on time, or in good condition, or at all, may adversely affect our business, financial condition and results of operations.

We depend on various forms of transportation to either receive raw materials for our manufacturing purposes or to deliver the finished products to our distributors and other customers for our domestic and export sales. For these purposes, we typically use reputed third-party transportation providers. Further, we undertake our export activities from various ports to which our products are delivered primarily through road transport from our manufacturing facilities and thereafter exported.

The disruption of transportation services due to natural factors such as weather conditions particularly during monsoon or flood seasons, or man-made factors such as strikes, accidents, or other inadequacies in the transportation infrastructure, or any other factor that could impair the ability of our suppliers to deliver raw materials to us and our ability to deliver our products to our retailers and distributors and their ability to deliver products to the end customers in a timely manner, which may adversely affect sale of products. Such raw materials and our products may be lost, damaged due to improper handling, negligence, transport strike or accidents or any other *force majeure* events which may not be within our control.

Additionally, if we lose one or more of our third-party transportation providers, that we have have to find new or alternative third-party transportation providers , or at terms which might not be as favourable as those which we have in force with our current partners. Further, our third-party transportation providers may not carry adequate insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our marine insurance policy. In such case we may or may not receive adequate compensation for any such claims in full amount in a timely manner or at all, and consequently, any such loss may be minimized or may adversely affect our business, financial condition and results of operations.

18. ***Our failure to identify and understand evolving industry trends and preferences and to develop new products to meet our end customers' demands, which may materially adversely affect our business.***

Changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through technical assistance agreements or otherwise, that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

19. ***Activities involving our manufacturing process can be dangerous and can cause injury to people in certain circumstances and could expose us to the risk of liabilities, loss of revenue and increased expenses.***

Our business involves complex manufacturing processes that can be dangerous to our employees. Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems. In addition, our employees operate heavy machinery at our processing facilities and accidents may occur while operating such machinery. These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. In 2023, due to an accident while cleaning the sand conveyor belt, an employee suffered permanent partial disability of his arm and was awarded ₹0.7 million as compensation in the workmen compensation proceedings. Also, in 2015, a sudden blast in the electrical panel led to the death of one of the employees, whose legal heirs have initiated certain legal proceedings for monetary compensation. For further details, see “Outstanding Litigation and Material Developments” on page 296 of this Draft Red Herring Prospectus. Liabilities incurred as a result of these events have the potential to adversely impact our financial position. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance.

20. ***Any failure on our part to effectively manage our inventories may result in an adverse effect on our operating results and financial condition.***

We are a Tractor and Mobile Cranes manufacturing entity with a backward integration in form of in-house foundry and other critical components manufacturing. Our process involves multiple components and products manufactured in-house, and we offer a very wide range of tractors and mobile cranes for which many spare parts also need to be manufactured by us, hence, at all points, we maintain substantial inventories of input materials, semi-finished products and finished products. Our total inventories on a restated consolidated basis represent 26.15%, 26.37% and 25.55% of our total assets as on March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Any failure on our part to effectively manage our inventory in response to changing market scenario may have an adverse effect on our financial condition and may even lead to loss of materials and increase the costs of our operations.

If we overestimate our inventories requirements as compared to the demand for our products, it may lead to wastage and increase our operating costs and further restrict our ability to service our customers in a timely and cost-efficient manner. Equally, if we underestimate our inventory requirements, 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 our customers which could adversely affect our business, results of operations and financial condition

21. ***Any failure to protect or enforce our rights to own or use trademarks and brand names and identities could have an adverse effect on our business and competitive position.***

Our Tractors and Pick & Carry Cranes are bought by domestic customers as well as we export our products to various countries under our registered brand names "INDO FARM" & "INDO POWER" respectively. Further our corporate logo and other relevant trademarks are also critical to our business. Hence, our brand recalls used in selling our products are critical to our growth and continuous business.

As on the date of this Draft Red Herring Prospectus, we have 16 registered trademarks for which we have obtained valid registration certificates under various classes under the Trademarks Act in India. Our main logos, "INDO FARM", "INDO POWER" are registered under various applicable classes of the Trademarks Act based on the products we offer and they are currently valid. Further we also use the brand 'BAROTA' which is registered in the name of our subsidiary Barota Finance Limited. If our Company is unable to renew any of the registrations thereof, we may still continue to use the logos but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logo which may adversely affect our reputation and business and could require us to incur additional costs.

Entities in India and abroad could pass off their own products as ours, including counterfeit products. Certain entities could imitate our brand name or attempt to create lookalike products and for example, counterfeit "INDO FARM" or "INDO POWER" products. As a result, our market share could be reduced due to replacement of demand for our products and deficiency in the quality of the counterfeit products will adversely affect our goodwill. We have also invested in our products to prevent counterfeit versions of our products from being distributed in the markets. Such measures include, monitoring products in the market and initiating actions against counterfeiters and registering our trademarks in jurisdictions we are present in and in jurisdictions we intend to export to, each of which entails incurring significant costs at our end. The proliferation of counterfeit products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

Further, we have not applied for or registered our trademarks in any of the foreign countries wherein we export our products. Local organizations in such countries could hence register a similar brand name and sell competing products and we may not be able to adequately protect our intellectual rights in such a situation. Further, similar sounding or looking products if any have a negative event in such country our brand image could also be damaged since we cannot restrain such competing organization from using a logo or brand similar to ours in their respective country.

Any failure to renew registration of our registered trademarks may affect our right to use them in future. Our efforts to protect our intellectual property may not be adequate and any third-party claim may lead to erosion of our business value and our reputation, which could adversely affect our operations. It may lead to litigation and any such litigation could be time consuming and costly and their outcome cannot be guaranteed. Third parties may also infringe or copy our registered trademarks. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks. Further, if we do not maintain our brand name and identity, which is a principal factor that differentiates us from our competitors, or if we fail to provide high quality projects on a timely basis, we may not be able to maintain our competitive edge. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand is subject to risks, including general litigation risks. Furthermore, we cannot assure you that our brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position.

Finally, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business and competitive position. For details of the trademarks registered in the name of our Company please refer “Government and Other Approvals” on page no. 306 of this Draft Red Herring Prospectus.

22. Adverse changes in our credit ratings could materially adversely affect our ability to raise funds and hence affect our financial conditions.

As of March 31, 2023 we had a total outstanding indebtedness of ₹ 1,704.60 million and ₹ 2,806.53 million on a restated standalone and consolidated basis respectively. Our debt raising is dependent on maintaining and improving our credit ratings. Our credit ratings assigned by Infomerics Valuation and Rating Private Limited are as follows:

Instrument/Facility	Date	Rating Granted
Long Term Fund Based Facility - Term Loan	12-Jun-23	IVR A- (Reaffirmed)
Long Term Fund Based Facility - OCC / ODBD	12-Jun-23	IVR A- (Reaffirmed)
Short Term Non Fund Based Facility - ILC / FLC	12-Jun-23	IVR A2+ (Reaffirmed)
Short Term Non-Fund Based Facility - BG	12-Jun-23	IVR A2+ (Reaffirmed)
Short Term Non Fund Based Facility - Forward Contract Limit	12-Jun-23	IVR A2+ (Reaffirmed)

If any of our credit ratings are revised downward in the future, this event may be looked at negatively by our lenders and hence it may affect our ability to continue to avail the credit facilities we enjoy as well as our ability to raise new debt if needed. This could affect our cash flows and financial condition adversely.

23. The Objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled “Objects of the Issue”. Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings.

Our funding requirements and the deployment of the proceeds of the Issue are purely based on our management’s estimates and have not been appraised by any bank or financial institution. Our Company may have to revise such estimates from time to time on account of various factors such as our financial and market condition, business and strategy, competition, negotiation with suppliers, interest or exchange rate fluctuations, increase in input costs, logistics and transport costs, taxes and duties, regulatory costs which may not be within the control of our management. Our estimates may exceed the value and may require us to reschedule our expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the Objects of the Issue is entirely at the discretion of our management. However a, Monitoring Agency, will be appointed in compliance with SEBI ICDR Regulations for monitoring the utilization of the Net Proceeds and the Board after consideration and approval by the Audit Committee will disclose the utilization of Net Proceeds under separate head in our balance sheet along with relevant details for all sum of amounts that have not been utilized. Our Company will issue a disclosure to the Stock Exchanges, on a quarterly basis, deviations, if any, in the Use of Proceeds of the Issue from the Objects stated in the Draft Red Herring Prospectus or by way of an explanatory statement to the notice for a general meeting.

24. Product liability and other civil claims and costs incurred because of product recalls could harm our business, results of operations and financial condition.

We face an inherent business risk of exposure to product liability or recall claims, especially in respect of our export operations, in the event that our products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage or both. We have procuring certain critical as well as non- critical components from third parties and we have no direct control over such processes, the procuring of such components may enhance our product liability risk. Consequently, we cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims.

Depending on the terms under which we supply products, our end customers may hold us responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties provided by us or by our end customers, when the product supplied does not perform as expected. Such warranties may be enforced against us even in cases where the underlying warranties have expired. A successful warranty or product liability claim or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition.

25. A significant change in the regulatory environment, government schemes or duty exemptions could disrupt our business and may affect our cash flow and financial condition and the price of our Equity Shares.

The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Currently the company is availing following government schemes:

- EPCG (Export Promotion Capital Goods) scheme benefits of basic duty exemption in terms of Foreign Trade Policy and complying conditions as per applicable provisions.

- Claiming rebate of taxes/duties on inputs under Remission of Duties and Taxes on Exported Products (RoDTEP) scheme at the applicable rates.

- Claiming duty drawback expressed as a percentage of FOB value or the rate per unit quantity of the export goods, as the case maybe.

Such economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including the Equity Shares. Any significant change in the government's policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the price of our Equity Shares.

26. In addition to normal remuneration, other benefits and reimbursement of expenses of some of our directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.

Some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding, loan, and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our directors including our promoters will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our directors will always act to resolve any conflicts of interest in our favor, thereby adversely affecting our business and results of operations and prospects.

27. Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our clients and other stakeholders. We believe that our business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations. Further, our business is to a large extent driven by our internal systems and control mechanism. Therefore, our continued growth is intrinsically linked to our being able to maintain adequate internal systems, processes and controls and our failure to maintain such systems could be an impediment to our growth.

In addition, we believe that our ability to implement our business and growth strategies will also depend on our ability to expand in global markets. Our inability to maintain our growth or failure to successfully implement our growth strategies within time and cost expectations could have an adverse impact on the results of our operations, our financial condition and our business prospects.

28. Some of our borrowings carry restrictive covenants or conditions and could affect our ability to manage our business operations.

As on March 31, 2023, we had a total outstanding indebtedness of Rs. 2,806.53million and Rs. 1,704.86 million on a restated consolidated and standalone basis respectively. Our borrowings from banks may have certain conditions which could affect our operational flexibilities such as:

- The company would have to obtain prior permission of bank for availing credit facilities or operating current account with another bank.
- The company would have to take prior permission for making any adverse changes in its capital structure.
- Implement any scheme of amalgamation, merger or such restructuring.
- Implement any scheme of expansion or diversification or capital expenditure except normal activities indicated in fund flow statements submitted to bank.
- Undertake guarantee obligations on behalf of any other company/firm or person.
- Declare dividend for any year except out of profit relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions.
- Make any drastic changes in its management set ups.
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and

Our inability to meet these conditions or ensure that compliance of these conditions could hamper the operational flexibility needed from time to time. In addition, certain of our borrowings require us to maintain certain financial ratios and certain other informative covenants, which are tested at times on a monthly, quarterly or annual basis. In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may also be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments. Further, certain of our financing arrangements are due for renewal and we cannot guarantee that the facilities availed under such arrangements will be renewed on the previously agreed terms and conditions, or conditions which are not more onerous on us. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition.

Further, for the proposed Offer, our Company has obtained the necessary consents from its lenders, as required under the relevant facility documentations for undertaking activities relating to the Offer including consequent actions, such as changes/amendments to including but not limited to, the constitutional documents (Memorandum of Association and/or Articles of Association) of our Company, the composition of its Management set-up, shareholding pattern, repayment/pre-payment of loans etc. For further details, please see *"Financial Indebtedness" on page no.282* of this Draft Red Herring Prospectus.

29. ***Non-compliance with RBI norms or other regulatory requirements could lead to adverse actions from such regulatory bodies, which may have a material adverse effect on our business, financial condition, results of operation or cash flows.***

Our wholly owned subsidiary – Barota Finance Limited is subject to regulation and supervision by the RBI. We are required to follow all necessary guidelines and rules as applicable to a Non-Deposit Taking Non Systematically Important NBFCs. We operate in a regulated market with evolving laws and regulations which change over time. Certain of these laws and regulations governing our business are relatively new, and thus their interpretation and enforcement may involve uncertainties. Since, incorporation, no material adverse actions have been taken on our NBFC Company for any non-compliance. However, we could in the future face certain adverse actions if we fail to comply with regulatory requirements prescribed by the RBI or if we delay in implementing certain changes in the law. We could incur additional expenses to comply with such laws and regulations, which could adversely affect our future growth, development and business.

30. ***The Improper handling, manufacturing or storage of raw materials or products, damage to such raw materials and products, could subject us to regulatory and legal action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.***

The products that we manufacture are thoroughly tested and undergo various quality checks at many stages by our qualified team. We are sourcing our propriteray components from globally recognized suppliers and all these prducts are warranted against manufacturing defects from the supplier. In case of any defect from supplier end same is being taken care by the supplier. Still these are subject to risks such as, transit damages or improper storage at dealer/customer end. We face inherent business risks of exposure to product liability or recall claims in the event that our products fail to meet the required quality standards or are alleged to result in harm to customers. Such risks may be controlled, but not eliminated. We have little, if any, control over proper handling once our products are shipped to our customers. For further details, please see "Outstanding Litigation and Material Developments litigation filed against our company" on page no. 296 of this Draft Red herring prospectus.

31. We have certain contingent liabilities that have not been provided for in our Company's financials, which if realized, could adversely affect our financial condition.

(₹ in Millions)

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i)	Counter guarantee to bank	12.59	2.29	2.07
ii)	Bond Executed by the Group in favour of DGFT	6.82	6.82	6.82
iii)	Claims against the Group not acknowledged as debts	40.57	31.23	29.73
iv)	Excise matters in dispute #	30.37	30.37	30.37
v)	Consumer cases in dispute/Under appeal*	25.83	23.17	24.07
vi)	Bill Discounting	61.27	-	57.85
vii)	Income Tax matters in dispute##	4.94	3.12	3.12
	Total	**182.39**	**96.99**	**153.38**

 # Excise cases related to periods between November 2003-January 2005 was already decided in favour of Group by Commissioner (Appeals), Customs and Central Excise, Chandigarh and the demand was deleted. However, the department has elected to file appeal against order with Customs Excise and Service Tax Appellate Tribunal (CESTAT).The management is hopeful that, same will decided in favour of Group and no material liability will devolve on the Group in respect of these matters.

The Group believes, these claims are not tenable and chances of claim materializing are remote. The Group is certain of getting a favorable judgement in the favour of the Group.

** Interest and claims by customers, suppliers, lenders and employees may be payable as and when the outcome of the related matters are finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Group in respect of these matters.*

32. Any failure of our information technology systems could adversely affect our business and our operations.

We have information technology systems that support our business processes, including product formulas, product development, sales, order manufacturing, production, procurement, inventory management, quality control, product costing, human resources, distribution and finance. We have installed AutoCAD used in R&D department & SAP for accounting purposes. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. Moreover we have added extra layers of security to ensure our information technology, trade secrets, intellectual property are secure. We have till date not experienced any major loss due to technology failures..The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigations.

33. Competition in the industries in which we operate could result in a reduction in our market share or require us to incur substantial expenditures on advertising and marketing, either of which could adversely affect our business, results of operations and financial conditions.

The industries in which we operate are intensely competitive. We compete with several regional and local companies, as well as large multi-national companies that are larger and have substantially greater resources than we do, including the ability to spend more on advertising and marketing. We also face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. Competition in our businesses can be based on, among other things, pricing, and innovation, perceived value, brand recognition, promotional activities, advertising, special events, new product introductions and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. We expect competition to continue to be intense as our existing competitors expand their operations and introduce new products. 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. Some of our competitors may be larger than us, or develop alliances to compete against us, have more financial and other resources and have products with greater brand recognition than ours. Our competitors in certain regions may also have better access or exclusive arrangements to procure raw materials required in our operations and may procure them at lower costs than us, and consequently be able to sell their products at lower prices. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

Further our NBFC vehicle finance operations depend on a number of factors, including the demand for our services and our ability to compete with other banks and financial institutions effectively. The banking and financing sector in India is highly competitive and we face competition in all our principal areas of business. We face our most significant organized competition from other SFBs, NBFCs, microfinance institutions and cooperative banks which have significant presence in rural areas, public sector banks, private sector banks, housing finance companies and other financial services companies in India. There are multiple players in the microfinance sector with varied organisational structures.

Our competitors in the organized sector may have a better brand recognition, greater business experience, more diversified operations, a greater customer and depositor base, a larger branch network and better access to funding and at lower costs than we do. Ensuring compliance with the laws and regulations has and will continue to limit our revenue, thereby making it more difficult to compete with other players in the organized sector. In addition, we compete with informal sources of lending for microfinance loans, including moneylenders, landlords, local shopkeepers and traders.

34. The value of our Primary security (we obtain only primary security in form of hypothecation of tractor and no collateral is available except personal guarantee) may decrease or we may experience delays in enforcing Primary security when borrowers default on their obligations, which may result in failure to recover the expected value of collateral security exposing us to potential loss.

Majority of our NBFC loans advanced are at a credit risk that the collateral against which such advances are made may not be sufficient to cover the outstanding amount to be recovered incase asset turns NPA. We make advances as collateralized loans & advances through our wholly owned subsidiary – Barota Finance Limited by disbursing certain loans that are secured by assets (i.e. tractors or cranes) against which such loans are advanced and follow certain procedures to evaluate the credit profiles of our customers. However, the value of the collateral obtained by us may fluctuate or decline due to factors beyond our control, including deterioration in regional economic conditions or of asset values or as a result of adverse changes in the credit quality of our borrowers and counterparties or delays in foreclosure proceedings or defects or deficiencies in the perfection of collateral. In the event of a decline in any of these, some of our loans may exceed the value of their underlying collateral or changes in asset prices may cause the value of our collateral to decline. Our loan portfolio (Vehicle Finance) has grown from ₹ 1,146.69 million as of March 31, 2021 to ₹ 1,464.46 million as of March 31, 2022, and further to ₹ 1,500.51 million as of March 31, 2023. Our collateral value against these loans is initially higher than our loan value, however as the years move ahead, our collateral value reduces and the same may not be in line with the reduction in our outstanding value. As a result, if our customers default, we may recover less money from liquidating the collateral than is owed under the relevant financing facility, and incur losses, even in cases where we are able to successfully seize and liquidate the collateral. Further, we have a strong asset quality and track record of managing credit risk on our loan portfolio (vehicle finance) and our total Gross NPA was 3.26%, 2.96% and 2.78% as on March 31, 2023, March 31, 2022 and March 31, 2021 respectively and Net NPA were 2.71%, 2.62% and 2.27% as on March 31, 2023, March 31, 2022 and March 31, 2021 respectively. The percentages of NPA's are well below the industry average, however there can be no assurance that we will be able to ensure the quality of our loan portfolio remains as healthy in the future.

We cannot assure you that we will be able to successfully seize the collateral in the event of customer default and may face delays and incur legal and administrative costs in the repossession and sale of the collateral. Legal proceedings for such purposes in India are often time consuming and if we are unable to seize and recover the full value of collateral in a timely manner, or at all, our business, results of operations, financial condition and cash flows may be adversely affected. In the event our borrowers default on the repayment of loans, we may not be able to realize the full value of the collateral due to various reasons, including a possible decline in the realizable value of the collateral, defective title, prolonged legal proceedings and fraudulent actions by borrowers, or we may not be able to foreclose on collateral at all. Further, we may be required to increase our provision for loan losses in case of any decline in the value of the security, which could impair our ability to realize the secured assets upon any foreclosure.

35. Conflicts of Interests may arise with our Promoter Group Entities in the future.

As on the date of this Draft Red Herring Prospectus, none of our promoter group entities are involved in manufacturing same or similar products as our company. However, some of our promoter group entities memorandum of association allows them to undertake similar activities. Our company has not signed any "No-Compete" agreement with any of our promoter and promoter group entities. Hence, to that extent there exists a risk of future conflicts of interest between our company and our promoter group entities.

36. Some of our business operations are being conducted on leased / rented premises. Our inability to seek renewal or extension of such leases may materially affect our business operations.

Some of our business operations are being conducted on premises used by us from various third parties. We may also enter into such transactions with third parties in the future. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may materially affect our business operations. For further details, see "Our Business – Properties" on page no. 145 of this Draft Red Herring Prospectus

37. Any inability on our part to collect amounts owed to us could result in the reduction of our profits.

Our operations involve extending credit for extended periods of time to our dealers and certain customers and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. The average trade receivable turnover day's w.r.t our issuer company for the last three financial years on a standalone basis is of around 88 days with variation of 10 days expected as normal industry practice. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. As per Restated Consolidated Financial Statement for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 our trade receivables were ₹ 743.93 million, ₹ 720.33 million and ₹ 739.60 million respectively or 20.01%, 20.43% & 27.54% of our total income, respectively. The average cycle of our trade receivables based on this data works out at around 80 days. We have a long-standing relationship with many of these debtors. We may not be able to effectively manage our credit risk w.r.t as we enter new avenues and geographies. If our distributors and customers delay or default in making these payments, our profits could be adversely affected and it could affect our working capital cycle hence affecting our financial condition.

38. We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. The inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic decisions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

Further, our ability to successfully carry out research and development depends on our ability to attract and retain skilled persons. The personnel at the helm of our R&D functions are critical for new product launches and creating differentiated offering for our businesses. Currently, we have an experienced technical and production team, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

39. If we pursue strategic acquisitions or joint ventures, we may not be able to successfully consummate favourable transactions or successfully integrate acquired businesses.

We may from time to time evaluate potential acquisitions or joint ventures that would further our strategic objectives. Currently, we have a single subsidiary entity. However, we may not be able to identify suitable companies, consummate a transaction on terms that are favorable to us, or achieve expected returns and other benefits as a result of integration challenges or anti-monopoly regulations. Companies or operations acquired or joint ventures created by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our corporate development activities may entail financial and operational risks, including diversion of management attention from its existing core business, difficulty in integrating or separating personnel and financial and other systems, and negative impacts on existing business relationships with suppliers and customers. Future acquisitions could also result in potentially dilutive issuances of equity securities; the incurrence of debt, contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition, results of operations and prospects.

40. We face foreign exchange risks that could adversely affect our results of operations and cash flows.

As on March 31, 2023, we have foreign currency risk exposure of ₹ 88.69 million. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited hence the Company does not use any derivative instruments to manage its exposure. We may continue to remain exposed to movements in foreign exchanges we deal in for medium to short term periods.

.For details of our net exposure to currency risk please refers to "Restated Financial Statements – "Foreign Currency Risk "on page 235 of this Draft Red Herring Prospectus. Also see, "Restated Financial Statements – Note 36: Financial Instruments" on page no. 232 of this Draft Red Herring Prospectus.

41. Our Company will not receive any proceeds from the Offer.

The Offer comprises an Offer for Sale for upto 3,500,000 equity shares aggregating to ₹ [●] million by the Selling Shareholders. Our Company will not receive any proceeds of the Offer. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all the Offer related expenses will be exclusively borne by our Company. The expenses of the Selling Shareholders will, at the outset, be borne by our Company and each Selling Shareholder will reimburse our Company for such expenses (inclusive of taxes) incurred by our Company on behalf of such Selling Shareholders, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and in a manner as may be mutually agreed among our Company and the Selling Shareholders.

42. We may be subject to fraud, theft, employee negligence or similar incidents.

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during delivery to our dealers. Our industry typically encounters some inventory loss on account of employee theft, vendor fraud and general administrative error. We maintain large amounts of inventory at our manufacturing facilities at all times and had a total inventory of ₹ 1,628.85 million, as of March 31, 2023. So far, our Company has not experienced any material fraud, theft or any such incident, however, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to exclusion from, coverage under our insurance policies, it could have an adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

43. Any material deviation in the utilisation of Issue Proceeds shall be subject to applicable law.

The funding requirements and the deployment of the proceeds from this Issue are based on the current business plan and strategy of our Company. Our Company may have to revise this from time to time as a result of variations including changes in estimates and other external factors, which may not be within the control of the management of our Company. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the deployment for a particular purpose from its planned expenditure at the discretion of the Board of Directors of our Company, in compliance with applicable law. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Draft Red Herring Prospectus in a timely manner or at all. As a consequence of any increased expenditure, the actual deployment of funds may be higher than estimated.

44. ***Our Company has not paid dividends in the last 3 Fiscals. There can be no assurance that our Company will be in a position to pay dividends in the future.***

Our Company has not paid dividends on its Equity Shares for Fiscal 2023, Fiscal 2022, Fiscal 2021. Our Company's ability to pay dividends in the future will depend upon a variety of factors, including our profitability, general financial conditions, capital requirements, results of operations, contractual obligations, financing arrangements and overall financial position, applicable Indian legal restrictions, our Company's Articles of Association, and other factors considered relevant by the Board of Directors of our Company. Further, our Promoters and Promoter Group will continue to hold a significant portion of our post issue paid-up Equity Share capital and may have a significant ability to control the payment and/or the rate of dividends. Therefore, our Company cannot assure you that it will be able to declare dividends, of any particular amount or with any frequency in the future. For further details, see the chapter titled "Dividend Policy" beginning on page __ of this Draft Red Herring Prospectus.

45. ***Our business is both manpower and machine intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms.***

Our operations are manpower intensive and we are dependent on our manufacturing staff for a significant portion of our operations. As of June 30, 2023, we (including our subsidiary) had 886 staff base on our payroll and over 396 staff of contractual labor. For details, see "*Our Business – Human Resource*" on page 144 The success of our operations depends on the availability of and maintaining good relationships with our workforce. Further, during the Fiscal 2021, Fiscal 2022 and Fiscal 2023, we (including our subsidiary) had incurred employee benefit expenses of ₹ 317.80 million, ₹ 371.14 million and ₹ 424.98 million respectively. Shortage of skilled personnel or disruptions caused by disagreements with employees could have an adverse effect on our business and the results of operations. While we have not experienced any major disruptions in our business operations due to disputes or other problems in the last five years with our work force, there can be no assurance that we will not experience any such disruption in the future. Our success also depends on our ability to attract, hire, train and retain skilled manufacturing personnel.

We may also be subject to increasing manpower costs in India, which would directly impact our employee costs and consequently, on our margins. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

46. ***Our Promoters and Promoter Group will, even after the completion of the Issue, continue to be our largest Shareholders and can influence the outcome of resolutions, which may potentially involve conflict of interest with the other Shareholders.***

Currently, our Promoters and members of the Promoter Group hold 100.00% of the Equity Share capital of our Company and they will continue to hold 70.86% of the Equity Share capital after the completion of this Issue. While there is no shareholder agreement in place with our Promoters and members of the Promoter Group, they will nevertheless, collectively, will have the ability to significantly influence our corporate decision-making process.

This will include the ability to appoint Directors on our Board and the right to approve significant actions at the Board and at the Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements and any amendment to the constitutional documents. Our Company cannot assure you that the interest of the Promoters and members of the Promoter Group in any such scenario will not conflict with the interest of other Shareholders or with our Company's interests. Any such conflict may adversely affect our Company's ability to execute its business strategy or to operate our Company's business effectively or in the best interests of the other Shareholders of our Company.

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

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labor for performance of certain of our operations in each of our business verticals. As on June 30, 2023, our contracted labor force is 396 on a standalone and consolidated basis. Although we do not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractor. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

48. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We could be held liable for accidents that occur at our manufacturing facilities or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries.

We have not experienced any material losses due to under-insurance in past and endeavor to ensure that the insurance coverage which we maintain would be reasonably adequate to cover the normal and abnormal risks associated with the operations of our business such as fire, other natural calamities and accidents onsite, burglary, theft, maritime shipping related accidents/losses etc. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our possible losses. In addition, our insurance expires from time to time. For eg: we had not obtained the insurance for events like Covid pandemic or such disruptive events which do not allow us to operate our business, our insurance coverage does not include losses arising from statutory actions on our manufacturing plants, raw material damage due to mishandling by our workers etc. and hence we cannot be sure that all our risks are covered by insurance. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

49. ***Certain Industry information included in this Draft Red Herring Prospectus has been derived from the Company commissioned B2K Analytics Industry Report and our Company had paid for such Industry Report.***

This Draft Red Herring Prospectus includes information from the Company commissioned B2K Analytics Industry Report titled "Agriculture Equipment & Crane Industry" dated September 27, 2023, which has been exclusively prepared for the purpose of the issue and is commissioned and paid-for by our Company. B2K Analytics has advised that, while it has taken due care and caution in preparing its report based on public information and industry and statistical data information obtained from sources which it considers reliable, it does not guarantee the adequacy or completeness of such information and is not liable for any loss or damage suffered because of reliance on the information contained in the report. The Company commissioned B2K Analytics Industry Report highlights certain industry and market data relating to our Company and our Competitors. Such data is subject to many assumptions. Further, such assumptions may change based on various factors. The assumption of B2K Analytics has been obtained from sources generally believed to be reliable, but their completeness and underlying assumptions are not guaranteed. Prospective investors are advised not to rely unduly on the Company commissioned B2K Analytics Industry Report when making their investment decisions.

50. We have business relationships with limited number of dealers. If our existing dealers do not deal with us, or our relationships are impaired or terminated, our revenue could decline, and our results of operations would be adversely impacted.

We derive a significant portion of our revenue from our dealers, and focusing on catering them with our products is a part of our growth strategy. Our top ten customers/ dealers contribute to 19.75 % for the year ended March 31, 2023 and 23.63% for the year ended March 31, 2022 of our revenue from operations. Even though this doesn't show that we have a concentrated dealer base and dependence on few dealers but it is not possible for us to predict the future level of demand from our larger dealers for our products.

Our dealers typically have no obligation to maintain or expand their business relationship with us. If one or more of our dealers terminate their dealings with us, whether for convenience, for default in the event of a breach by us, our business and results of operations could be adversely affected.

Our ability to build and maintain consistent delarer level business relationships may decrease or vary as a result of a number of factors, including our customer satisfaction or dissatisfaction with our products, our pricing, the effects of general economic conditions, competitive offerings or alternatives, or reductions in our customers' spending levels. If our dealers do not maintain their business relationships with us or the other terms and conditions are less favorable to us, our revenue may grow more slowly than expected or decline and our business could suffer. Our business, financial condition, and results of operations would also be adversely affected if we face difficulty collecting our accounts receivable from our clients. If our efforts to expand our existing business within our existing client base are not successful, our business, results of operations and financial condition may be adversely impacted.

51. Our inability to fulfill the export obligation under the EPCG scheme could subject us to payment of customs duties together with interest thereby adversely impacting our financial condition.

Our company has obtained licenses under EPCG scheme which enable us for duty free import of machinery required for manufacturing of our export bound products. Such benefits are subject to fulfillment of time bound export obligations as may be specified. The value and quantity of each item permitted under EPCG imports are specified in the license, which are issued on pre-export or post-exports basis and are subject to fulfillment of time bound export obligation.

As on date of this Draft Red Herring Prospectus, we have a net export obligation of ₹ 37.00 million. Any failure on our part to achieve the required export obligation will subject us to an obligation to pay the customs duty saved and any further penal charges if any. For more information on EPCG-Scheme (contingent liability), please refer page no. 226 of this Draft Red Herring Prospectus.

External Risk Factors

Risks relating to India

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

The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. For instance, the GoI has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In another example, the GoI has made it mandatory for business establishments with turnover above a certain size to offer digital modes of payment from November 2019, with no charges being levied on the customers or the merchants by banks and payment service providers. Such measures could adversely impact our income streams in the future and adversely affect its financial performance.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, 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. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. 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 businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

53. ***Natural or man-made 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 and man-made disasters, including acts of war, terrorist attacks 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 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. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19. Any future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighboring countries. Recently there has been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India’s border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. In November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India’s financial capital. These attacks resulted in loss of life, property and business. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

54. ***A downgrade in ratings of India and other jurisdictions we operate may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

55. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

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 the United States, Asia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union including trade agreements between the United Kingdom and European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. 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. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares. Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organization declaring the outbreak as a pandemic in March 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such an outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets has resulted in a global slowdown and crisis. In particular, the COVID-19 outbreak has caused stock markets worldwide to fluctuate significantly in value and has impacted global economic activity. If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

56. ***The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. The Government of India has also implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. The GST regime is relatively new and therefore is subject to amendments and its interpretation by the relevant regulatory authorities. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions. The Finance Act, 2020 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. For instance, dividend distribution tax ("**DDT**") will not be payable by a domestic company in respect of dividends declared, distributed or paid by the company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely 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, 2022 ("**Finance Act**") 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. 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 group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. 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 affect the viability of our current business or restrict our ability to grow our business in the future. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business.

57. ***If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

58. ***A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

59. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLM or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India and all of our directors are located in India. A majority of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the number of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the

Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the number of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

Risks relating to the Equity Shares and this Offer

60. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

Prior to the Offer, 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 Offer. 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 Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for the Offer Price*" on page no. 88 of this Draft Red Herring Prospectus 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, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, 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. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

61. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, a capital gain arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. Further, the Finance Act, 2020 ("**Finance Act 2020**"), passed by the Parliament of India. The Finance Act 2020 stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Government of India announced the union budget for Fiscal 2022, following which the Finance Bill, 2021 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2021. Subsequently, the Finance Bill received assent from the President of India on March 28, 2021 and became the Finance Act, 2021 ("**Finance Act 2021**"). Thereafter, the Finance Act, 2022 and the Finance Bill, 2023 has been introduced. There is no certainty on the impact of Finance Act 2021 and 2022 and Finance Bill, 2023 on tax laws or other regulations, which may adversely affect the Company's business, financial condition, and results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

62. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entries, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

63. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

64. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), 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 falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct neither investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page no. 361 of this Draft Red Herring Prospectus.

65. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Financial Statements for Fiscals 2021, 2022 and 2023, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

66. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company and Selling Shareholders in consultation with the BRLM. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLM through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for the Offer Price*" on page 88 of this Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Offer. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLM is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLM*" on page 322 of this Draft Red Herring Prospectus. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

67. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

69. *Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.*

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign pass thru payments" made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign pass thru payments". Under current guidance, the term "foreign pass thru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign pass thru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign pass thru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign pass thru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

70. *Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

71. *U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.*

A foreign corporation will be treated as a Passive Foreign Investment Company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

There can be no assurance that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

SECTION IV – INTRODUCTION

THE OFFER

Equity Shares Offered[1]: Present Offer of Equity Shares by our Company and the Promoter Selling Shareholder[2]	Up to 14,000,000 Equity Shares of face value of ₹ [●] each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] millions
The Offer consists of:	
Fresh Issue	Up to 10,500,000 Equity Shares of face value of ₹ [●] each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] millions
Offer for Sale	Up to 3,500,000 Equity Shares of face value of ₹ [●] each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] millions
Which Comprises:	
A) QIB Portion[3][4]	Up to [●] Equity Shares (not more than 50%)
of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion, excluding the Anchor Investor Portion)	Up to [●] Equity Shares
Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
B) Non-Institutional Portion[4]	Up to [●] Equity Shares (not less than 15%)
C) Retail Portion[4]	Up to [●] Equity Shares (not less than 35%)
Pre and Post Offer Equity Shares	
Equity shares outstanding prior to the Offer	37,551,600 Equity Shares of face value of ₹ 10 each
Equity shares outstanding after the Offer[5]	Up to 48,051,600 Equity Shares of face value of ₹ 10 each
Use of Net Proceeds	Please refer to the section titled "*Objects of the Offer*" beginning on page no. 76 of this Draft Red Herring Prospectus.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, please refer the chapter "*Offer Procedure*" on page no. 341 of this Draft Red Herring Prospectus.

[1] The present Offer has been authorised by a resolution of the Board of Directors, dated August 25, 2023 and by a resolution of the shareholders of our Company in the Extra Ordinary General Meeting held on August 31, 2023.

Further, our Company and the Promoter Selling Shareholder, in consultation with the BRLM, is considering a Pre-IPO placement of upto 1,900,000 Equity Shares for an aggregate amount to ₹ [●] millions. The Pre-IPO Placement will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLM and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Offer Size constituting at least 25% of the Post-Offer paid-up Equity Share capital of our Company.

[2] The Offer for Sale has been authorised by the Promoter Selling Shareholder by his consent letter dated August 30, *2023 and the No. of Equity Shares offered are as follows:*

Name of the Promoter Selling Shareholder	*No. of Equity Shares Offered*
Ranbir Singh Khadwalia	*Up to 3,500,000*

The Promoter Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Promoter Selling Shareholder has also confirmed that he is the legal and beneficial owner of the Equity Shares being offered by him under the Offer for Sale

(3) Our Company and the Promoter Selling Shareholder 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. In case of non-Allotment in the Anchor Investor Portion, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please see "Offer Procedure" on page no. 337 of this Draft Red Herring Prospectus.

(4) Subject to valid Bids being received at or above the Offer 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 combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "Terms of the Offer" beginning on page no. 331 of this Draft Red Herring Prospectus.

(5) Assuming full subscription of the Offer.

For further details please refer to the chapter titled "Offer Structure" beginning on page no.337 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

Restated Consolidated Statement of Assets and Liabilities

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, Plant & Equipment	2,003.72	1,895.51	1,808.01
Capital work-in-progress	80.57	195.19	144.06
Other Intangible assets	59.72	46.93	28.21
Financial Assets			
Investments	0.86	10.74	0.61
Loans	918.69	909.10	759.37
Other financial assets	14.65	25.54	22.59
Deferred Tax Assets	9.60	34.46	50.80
Other Assets	32.85	5.91	0.23
Total Non Current Assets	**3,120.67**	**3,123.38**	**2,813.88**
Current assets			
Inventories	1,628.85	1,634.98	1,409.18
Financial assets			
Trade receivables	743.93	720.33	739.60
Cash and cash equivalents	17.59	19.48	15.31
Bank Balances other than Cash and cash equivalents	18.67	10.32	9.80
Loans	624.86	576.74	414.23
Other financial assets	-	-	-
Income Tax Assets	2.17	2.17	2.17
Other Assets	71.69	110.90	109.58
Total Current Assets	**3,107.75**	**3,074.92**	**2,699.87**
Total Assets	**6,228.41**	**6,198.29**	**5,513.76**
Equity and liabilities			
Equity			
Equity share capital	187.76	187.76	93.88
Other Equity	2,717.90	2,560.27	2,518.58
Total Equity	**2,905.66**	**2,748.03**	**2,612.46**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	1,098.46	1,259.98	1,016.29
Other financial liabilities	37.84	37.52	39.05
Provisions	13.43	9.36	10.02
Total Non-current liabilities	**1,149.74**	**1,306.86**	**1,065.36**
Current liabilities			
Financial liabilities			
Borrowings	1,708.07	1,490.03	1,331.50
Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	36.78	120.56	105.74

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	272.46	347.69	237.18
Other financial liabilities	87.15	104.69	106.03
Other current liabilities	19.33	17.47	16.47
Provisions	38.24	38.83	31.49
Income tax liabilities	10.98	24.14	7.53
Total Current liabilities	**2,173.01**	**2,143.40**	**1,835.94**
Total equity and liabilities	**6,228.41**	**6,198.29**	**5,513.76**

Restated Consolidated Statement of Profit and Loss

(₹ in Million)

Particulars	Year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
INCOME			
Revenue from operations	3,707.59	3,520.84	2,677.81
Other income	10.59	5.29	8.07
Total A	**3,718.18**	**3,526.13**	**2,685.88**
Expenses			
Raw Material Consumed	2,183.94	2,116.33	1,535.18
Changes in Inventories of Finished Goods And Work-In-Progress	71.23	-119.93	-53.31
Employee Benefit Expense	424.99	371.14	317.80
Finance Cost	276.43	238.20	212.10
Depreciation and Amortization	88.25	89.74	80.56
Other Expenses	450.86	637.91	474.68
Total B	**3,495.69**	**3,333.39**	**2,567.01**
Profit before tax (A-B)	**222.50**	**192.75**	**118.87**
Tax Expense			
Current Tax	42.80	38.59	23.64
Deferred Tax	21.44	39.06	23.93
MAT utilisation/(recognition)	2.61	-22.10	-13.62
Profit for the year	**155.64**	**137.19**	**84.92**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	2.81	-2.25	-16.09
Income tax related to items that will not be reclassified to profit or loss	-0.82	0.62	4.48
Other Comprehensive Income/(loss) for the year (net of tax)	**1.99**	**-1.62**	**-11.61**
Total Comprehensive income for the period	**157.63**	**135.57**	**73.30**
Earnings per equity share (Restated) (Refer Note 32)			
Basic (₹)	4.14	3.65	2.26
Diluted (₹)	4.14	3.65	2.26

Restated Consolidated Statement of Cash Flows

(₹ Million)

PARTICULARS	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax & Extra Ordinary Items	222.50	192.75	118.87
Adjustments For :			
Depreciation	88.25	89.74	80.56
Loss on sale of investments	0.13	-	-
Preliminary expenses written off	-	0.23	0.33
Provision for Standard Assets	0.13	0.75	(5.57)
Provision for Employees Retirement Benefits	2.50	2.19	6.36
Provision for Non Performing Assets	3.20	(0.87)	3.37
Provision for Warranties & Servicing costs	0.46	2.37	0.62
Gain on investments through FVTPL	(0.13)	(0.12)	(0.15)
Loss/ (Profit) on Sale of Fixed Assets	0.04	2.25	(0.31)
Interest Income	(1.96)	(1.12)	(1.49)
Interest on Borrowings	276.43	144.51	212.10
Dividend Received	(0.04)	(0.03)	(0.03)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**591.50**	**432.64**	**414.66**
Adjustments For :			
(Increase)/Decrease in Inventory	6.13	(225.80)	(124.14)
(Increase)/Decrease in Trade Receivables	(23.60)	13.41	(59.12)
Increase/(Decrease) in Loans and Advances	0.18	(14.79)	34.77
Increase/ (Decrease) in Other Current Assets	39.21	4.54	(53.54)
Increase/(Decrease) in Trade payables	(159.00)	125.33	164.16
Increase/ (Decrease) in Other current liabilities	(15.67)	12.87	33.03
(Increase)/ Decrease in Non-Current Assets	(23.46)	(7.96)	(2.54)
(Increase)/ Decrease in Non-Current Liabilities	0.32	(0.65)	(6.50)
Prior Period Adjustments	-	(0.55)	(0.48)
OPERATING PROFIT AFTER WORKING CAPITAL CHANGES	**415.61**	**339.04**	**400.30**
Cash Flow From Operating Activities: ***(Related to Subsidiary Company)***			
Increase Short Term Loans and Advance	(48.30)	(161.81)	(172.50)
Increase in Long Term Loans & Advances	(9.59)	(149.72)	(197.57)
CASH GENERATED FROM OPERATIONS	**357.71**	**121.20**	**30.23**
Direct Taxes Paid	(55.96)	(21.44)	(18.07)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	**301.75**	**99.76**	**12.15**
Extra-Ordinary Items	-	-	
NET CASH FLOW FROM OPERATING ACTIVITES (A)	**301.75**	**99.76**	**12.15**
CASH FLOW FROM INVESTING ACTIVITES			
Purchase of Fixed Assets	(94.71)	(265.23)	(160.69)
Interest Received	1.96	1.12	1.49
Dividend Received	0.04	0.03	0.03
Sale of Fixed Assets	0.03	18.97	1.24
Sale/(Purchase) of Investments	9.87	(13.09)	-
Fixed Deposits Matured/ (Placed)	(0.94)	(1.42)	1.68
NET CASH USED IN INVESTING ACTIVITIES (B)	**(83.74)**	**(259.61)**	**(156.26)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from Term Loans from Banks	(22.90)	319.50	446.32
Proceeds/(Repayment) from Working Capital Limits from Banks	79.42	82.72	(81.82)
Interest Paid	(276.43)	(238.20)	(212.10)

NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(219.91)**	**164.02**	**152.40**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(1.90)**	**4.17**	**8.30**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	19.48	15.31	7.01
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	**17.58**	**19.48**	**15.31**

GENERAL INFORMATION

Our Company was originally incorporated as "*Welcut Tools Private Limited*" on October 05, 1994 at Chandigarh as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P. & Chandigarh. Subsequently, the name of our Company was changed to "*Welcut Industries Private Limited*" vide special resolution passed by the shareholders of our Company in their meeting held on January 11, 1995 and a fresh Certificate of Incorporation consequent to the change of name was granted to our Company on February 21, 1995, by the Registrar of Companies, Punjab, H.P. & Chandigarh. Further, our Company was converted into Public Limited Company pursuant to special resolution passed by the shareholders of our Company in their meeting held on June 29, 1999 and the name of our Company was changed to "*Indo Farm Equipment Limited*" and a Fresh Certificate of Incorporation consequent upon conversion of Company to Public Limited dated July 05, 1999 was issued by Registrar of Companies, Punjab, H.P. & Chandigarh. Further, the name of our Company was changed to "*Indo Farm Tractors & Motors Limited*" vide special resolution passed by the shareholders of our Company in their meeting dated October 28, 2003 and a fresh Certificate of Incorporation was issued on October 30, 2003 by Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, the name of our Company was changed to "*Indo Farm Industries Limited*" vide special resolution passed by the shareholders of our Company in their meeting dated December 03, 2007 and a fresh Certificate of Incorporation was issued dated December 18, 2007 by Assistant Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. Subsequently, the name of our Company was changed to "*Indo Farm Equipment Limited*" vide special resolution passed by the shareholders of our Company in their meeting dated October 24, 2009 and a fresh Certificate of Incorporation was issued on November 04, 2009 by Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh.
The Corporate Identification Number of our Company is U29219CH1994PLC015132. For further details, please refer to the chapter "*History and Certain Corporate Matters*" beginning on page no. 162 of this Draft Red Herring Prospectus.

Registered Office

Indo Farm Equipment Limited

SCO 859 NAC Manimajra Kalka Road,
Chandigarh 160101, India
Tel: 0172-2730060;
Email id: compliance@indofarm.in;
Website: www.indofarm.in;
CIN: U29219CH1994PLC015132
Registration No.: 015132

Address of the ROC

Registrar of Companies

1ST Floor, Corporate Bhawan Plot No.4-B,
Sector 27-B, Chandigarh -160019, India.
Tel: 0172-2639415/ 2639416;
Website: www.mca.gov.in

Board of Directors

As on the date of this Draft Red Herring Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Address
Ranbir Singh Khadwalia	Chairman and Managing Director	00062154	103-104, Sector-6, Panchkula, Haryana-134109 India.
Anshul Khadwalia	Whole Time Director	05243344	103-104, Sector-6, Panchkula, Haryana-134109 India.
Puneet Ralhan	Whole Time Director	06745749	House No-26, First Floor, Saraswati Vihar New Grain Market Po, Jalandhar City, Punjab 144008 India.
Babita Dosajh	Additional Non-Executive	10312327	103B Aradhya Homes Palm City, Sante

Name	Designation	DIN	Address
	Independent Director		Majra, Shiwalik City, Sector 127, SAS Nagar, Mohali-140301.
Arshdeep Kaur	Non-Executive Independent Director	08056826	House No 767, Phase 6, Mohali, S.A.S Nagar, Punjab 160055 India.
Brij Kishore Mahindroo	Non-Executive Independent Director	08472014	Flat No. 55, Sangam Enclave Sector 48-A, Chandigarh, 160047, Chandigarh, India.

For further details of our directors, see *"Our Management"* on page no.168 of this Draft Red Herring Prospectus.

Chief Financial Officer

Varun Sharma
SCO 859 NAC Manimajra, Kalka Road,
Chandigarh 160101, India
Tel: 0172-2730060;
Email id: compliance@indofarm.in;

Company Secretary and Compliance Officer

Navpreet Kaur
SCO 859 NAC Manimajra, Kalka Road,
Chandigarh 160101, India
Tel: 0172-2730060;
Email id: compliance@indofarm.in;

Book Running Lead Manager

Aryaman Financial Services Limited
60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg,
Opp. P. J. Towers (BSE Building),
Fort, Mumbai – 400 001
Tel No.: +91 – 22 – 6216 6999
Email: ipo@afsl.co.in
Investor Grievances Email: feedback@afsl.co.in
Website: www.afsl.co.in
Contact Person: Deepak Biyani/Vatsal Ganatra
SEBI Registration No.: INM000011344

Registrar to the Offer

Mas Services Limited
T-34 2nd floor, Okhla industrial area
phase II, New Delhi 110020, India.
Tel: 011-26387281-83, 011-41320335;
Email: ipo@masserv.com;
Website: www.masserv.com;
Contact Person: N C Pal
SEBI Registration No.: INR000000049

Legal Counsel to the Offer

M/s. Kanga & Company (Advocates & Solicitors)
Readymoney Mansion,
43, Veer Nariman Road,
Mumbai – 400 001
Tel No.: +91 – 22 – 6623 0000, +91 – 22 – 6633 2288
Fax No.: +91 – 22 – 6633 9656 / 57
Contact Person: Chetan Thakkar

Email: chetan.thakkar@kangacompany.com
Website: www.kangacompany.com

Statutory Auditors to our Company

Deepak Jindal & Co.
Address: Unit No. A-203, Leval – II, Elante Offices, Industrial & Business Park – I, Chandigarh - 160002
Tel: 9988650002
Email: cadeepakjindal@gmail.com
Contact Person: CA Deepak Jindal , CA Onkar Singh
Firm Registration No: 023023N
Peer Review No: 012493

Changes in the Auditors

There has been no change in our Statutory Auditors of our Company in the three years preceding the date of this Draft Red Herring Prospectus.

Bankers to our Company*

Canara Bank
Specialized Mid Corporate Branch, Plot No.-1,
Sector 34-A, Chandigarh-160022, India;
Tel No.: +91 9501112452;
Contact Person: Rajwant Singh Dhindsa;
Email Id.: cb2452@canarabank.com;
Website: www.canarabank.com

Federal Bank Limited
SCO 867, 1st Floor, NAC Manimajra,
Chandigarh 160101, India;
Tel No.: +91 9836750200;
Contact Person: Sandeep Kumar;
Email Id.: sandeepkumar@federalbank.co.in;
Website: www.federalbank.co.in

Punjab National Bank Limited
Mid Corporate Centre, Sector 1, Parwanoo,
Himachal Pradesh-173220, India.
Tel No.:+91 9416391637;
Contact Person: Shri Anil Kumar Yadav;
Email Id.:mcc6417@pnb.co.in;
Website: www.pnbindia.in

**Our Company has received NOC from all the above Bankers.*

Banker(s) to the Offer / Refund Bank / Sponsor Bank

[●]

Syndicate Member(s)

[●]

Statement of Inter Se Allocation of Responsibilities for the Issue

Aryaman Financial Services Limited (AFSL) is the sole Book Running Lead Manager (BRLM) to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Bidder (other than an RIB using the UPI mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks eligible as Issuer Banks for UPI

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 Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40), or any such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

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 websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? Andhttps://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? And http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? And on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Monitoring Agency

Our Company will appoint [●], a credit rating agency registered with SEBI as a monitoring agency to monitor the utilisation of the Net Proceeds, prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" beginning on page 76 of this Draft Red Herring Prospectus.

Our Company will disclose the utilization of the Net Proceeds, including interim use, under a separate head in our Balance Sheet for such financial years as required under the applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its Balance Sheet for the applicable financial years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, and the proceeds of the Issue shall also be monitored by the Audit Committee till the utilization of the proceeds.

Further, our Company shall provide details/information/certifications obtained from Statutory Auditors on the utilization of the Net Proceeds to the Monitoring Agency. Also, any investments in acquisitions or strategic partnership or any inorganic growth iniative, post IPO from the IPO proceeds, detailed disclosures of the same shall be made in public domain at that time.

Experts

a) Our Company has received written consent dated September 19, 2023 from M/s. Deepak Jindal & Co., to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft 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 their (i) examination report, dated September 18, 2023 on our Restated Consolidated Financial Statements; and (ii) their report dated September 19, 2023 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

b) Our Company has received written consent dated September 27, 2023 from the independent Professional engineer, namely Mr. Nikka Ram (registration number: PE7002565), to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a professional engineer, in relation to his Detailed Project Report dated September 27, 2023 certifying the estimated cost and other relevant information for the Proposed Project and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus

Appraising Entity

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

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

IPO Grading

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

Trustees

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

Green Shoe Option

No green shoe option is applicable for the Offer.

Filing

A copy of the Draft Red Herring Prospectus was filed electronically on the SEBI's online portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

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

Book Building Process

Book Building Process, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, and minimum bid lot size will be decided by our Company and the Selling Shareholders in consultation with the BRLM, and advertised in all editions of [●] (a widely circulated English National Daily Newspaper), all editions of [●] (a widely circulated Hindi National Daily Newspaper) and the edition of [●] (a widely circulated Hindi Daily Newspaper, Hindi being the regional language of Chandigarh, where our Registered Office is located)each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs (other than Anchor Investors) and Non-Institutional Bidders 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 (subject to the Bid Amount being up to ₹ 200,000) can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis, while allocation to Anchor Investors will be on a discretionary basis. For further details, see "*Terms of the Offer*", "*Offer Procedure*" and "*Offer Structure*" on page nos. 331, 341 and 337, respectively of this Draft Red Herring Prospectus.

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

Bidders should note that the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on the method and procedure for bidding, please see "*Offer Procedure*" on page no. 341 of this Draft Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page no. 341 of this Draft Red Herring Prospectus.

Underwriting Agreement

After determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with RoC, our Company and the Promoter Selling Shareholder will enter into an Underwriting Agreement with the

Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the ROC.)

(In ₹ million)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]
TOTAL	[●]	[●]

The above mentioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share Capital of the Company as on the date of this Draft Red Herring Prospectus is set forth below:

(₹ in million, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Offer Price*
A	**Authorised Share Capital** [(1)]		
	50,000,000 Equity Shares of face value of ₹10 each	500.00	-
B	**Issued, Subscribed and Paid-up Share Capital before the Issue**		
	37,551,600 Equity Shares of face value of ₹10 each	375.52	-
C	**Present Offer in terms of this Draft Red Herring Prospectus**		
	Public Offer of upto 14,000,000 Equity Shares of face value of ₹10 each [(2)]	140.00	[●]
	Consisting of:		
	Fresh Issue upto 10,500,000 Equity Shares of face value of ₹ 10	105.00	[●]
	Offer for Sales upto 3,500,000 Equity Shares of face value of ₹10	35.00	[●]
D	**Issued, Subscribed and Paid-up Share Capital after the Offer**		
	Upto 48,051,600 Equity Shares of face value of ₹ 10 each	480.52	
E	**Securities Premium Account**		
	Before the Issue	Nil	
	After the Issue	[●]	

[(1)] For details of changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association of our Company in the last 10 years", on page 162 of this Draft Red Herring Prospectus.

[(2)] The Offer has been authorized by our Board pursuant to the resolution passed at the board meeting dated August 25, 2023 and by our Shareholders pursuant to their resolution dated August 31, 2023.

[(3)] The Selling Shareholder has confirmed compliance with Regulation 8 of the SEBI ICDR Regulations and approved his participation in the Offer for Sale in relation to its portion of the Offered Shares. For details on authorisation of the Selling Shareholder in relation to the Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 51 and 322 respectively of this Draft Red Herring Prospectus.

NOTES TO CAPITAL STRUCTURE

1. Share Capital History of our Company

a) Equity Share Capital

The following table sets forth the history of the equity share capital of our Company:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (₹)
October 05, 1994[(1)]	300	10.00	10	Subscription to MoA	Cash	300	3,000
February 21, 1998[(2)]	37,800	10.00	10	Further Allotment	Cash	38,100	381,000
March 28, 2001[(3)]	3,569,850	10.00	10	Further Allotment	Cash	3,607,950	36,079,500

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (₹)
March 30, 2002[(4)]	926,000	10.00	10	Further Allotment	Cash	4,533,950	45,339,500
March 23, 2005[(5)]	4,533,950	10.00	NA	Bonus Issue	Other than Cash	9,067,900	90,679,000
September 21, 2018[(6)]	320,000	10.00	187.50	Rights Issue	Cash	9,387,900	93,879,000
February 08, 2022[(7)]	9,387,900	10.00	NA	Bonus Issue	Other than Cash	18,775,800	187,758,000
August 22, 2023[(8)]	18,775,800	10.00	NA	Bonus Issue	Other than Cash	37,551,600	375,516,000

Note: For the corporate / statutory filings made with Registrar of Companies prior to the year 2006, we have placed reliance on the ROC Search Report dated September 05, 2023, bearing UDIN: F002191E000942218 certified by A. Arora& Co., Company Secretaries.

[(1)] Allotment of 100 equity shares each to Ranbir Singh Khadwalia, Sat Prakash Mittal and Sunita Saini pursuant to subscription to the MoA.

[(2)] Pursuant to Board Resolution dated February 21, 1998, our Company has allotted 7,800Equity Shares to Ranbir Singh Khadwalia, 3,000 Equity Shares to Ganga Bishan, 5,000 Equity Shares to Ram Kishan Saini, 6,000 Equity Shares to Kirpal Singh, 7,000 Equity Shares to Balbir Singh, 6,000 Equity Shares to Chaman Lal, 3,000 Equity Shares to Sher Singh Saini.

[(3)] Pursuant to Board Resolution dated March 28, 2001, our Company has allotted 3,99,450 Equity Shares to Ranbir Singh Khadwalia, 21,790 Equity Shares to Sat Prakash Mittal, 4,60,260 Equity Shares to Sunita Saini, 70,300 Equity Shares to Ganga Bishan Saini, 20,000 Equity Shares to Ganga Ram Hooda, 144,300 Equity Shares to Ram Kishan Saini, 1,74,100 Equity Shares to Balbir Singh, 1,97,400 Equity Shares to Chaman Lal, 101,300 Equity Shares to Amar Singh, , 42,900 Equity Shares to Baljit Singh, 34,700 Equity Shares to Barma Nand, 107,200 Equity Shares to Bhopal Singh, 85,500 Equity Shares Biyasa Ram, 47,700 Equity Shares Darshan Lal, 11,900 Equity Shares to Hakim Chand, 57,700 Equity Shares to Hans Raj, 45,900 Equity Shares to Indo German Pneumatic, 25,000 Equity Shares to Ishwar Singh Duhan, 80,400 Equity Shares to Jai Bhagwan, 10,000 Equity Shares to Kamlesh Rani, 45,900 Equity Shares to Krishan Kumar, 7,500 Equity Shares to Manju Kaushik, 14,600 Equity Shares to Mukesh Kumar Saini, 9,800 Equity Shares to Naresh Kr Saini, 1,05,600 Equity Shares to Nathu Ram, 10,000 Equity Shares to Raj Bala, 25,900 Equity Shares to Rajesh Saini, 14,600 Equity Shares to Raj Kumar, 71,100 Equity Shares to Rameshwar Dass, 91,500 Equity Shares to Ram Singh, 42,700 Equity Shares to Ranjit Singh, 78,150 Equity Shares to OP Saini, 66,200 Equity Shares to Subhash Chand, 23,800 Equity Shares to Sudesh Saini, 19,300 Equity Shares to Suraj Bhan, 1,42,400 Equity Shares to Surinder Singh, 105,300 Equity Shares to Surjan Singh, 9,700 Equity Shares to Sushil Kumar, 40,000 Equity Shares to Lt Col DV Singh, 30,000 Equity Shares to Nirmal Singh, 461,000 Equity Shares to Futuristic Mining, 17,000 Equity Shares to Santosh Duhan.

[(4)] Pursuant to Board Resolution dated March 30, 2002, our Company hasallotted19,600 Equity Shares to Kirpal Singh, 9,800 Equity Shares to Balbir Singh, 4,900 Equity Shares to Chaman Lal, 30,000 Equity Shares to Amar Singh, 14,700 Equity Shares to Bhopal Singh, 19,500 Equity Shares to Biyasa Ram, 2,39,500 Equity Shares to BN Automobiles, 14,700 Equity Shares to Hans Raj, 14,700 Equity Shares to Jai Bhagwan, 14,700 Equity Shares to Krishan Kumar, 9,800 Equity Shares to Mukesh Kr Saini, 9,700 Equity Shares to Nathu Ram, 19,600 Equity Shares to Rajesh Saini, 14,700 Equity Shares to Rameshwar Dass, 19,600 Equity Shares to Ram Singh, 1,65,000 Equity Shares to OP Saini, 9,800 Equity Shares to Subhash Chand, 9,800 Equity Shares to Suraj Bhan, 9,700 Equity Shares to Surinder Singh, 1,000 Equity Shares to Chander Kr Hooda, 19,600 Equity Shares to Gian Chand, 1,000 Equity Shares to Lakhpat Rai Hooda, 9,800 Equity Shares to Sumitra Saini, 205,000 Equity Shares to Mani Ram Saini, 301,00 Equity Shares to Virender Kr Sharma.

[(5)] Pursuant to Board Resolution dated March 23, 2005, our Company has allotted 2,839,100 Equity Shares to Ranbir Singh Khadwalia, 843,560 Equity Shares to Sunita Saini, 461,000 Equity Shares to Welcut Marketing Private Limited, 109,990 Equity Shares to Sat Prakash Mittal, 92,100 Equity Shares to Sudesh Rani, 73,300 Equity Shares to Ganga Bishan, 45,900 Equity Shares to Indo German Pneumatics Ltd, 40,000 Equity Shares to Nirmal Mittal, 21,000 Equity

Shares Preeti Mittal, 6,000 Equity Shares to Rajesh Saini, 1,000 Equity Shares to Attar Singh Saini, 1,000 Equity Shares to Ritu Saini.

(6) Pursuant to Board Resolution dated September 21, 2018, our Company hasallotted77,600 Equity Shares to Ranbir Singh Khadwalia, 163,467 Equity Shares to Sunita Saini, 49,333 Equity Shares to Anshul Khadwalia, 29,600 Equity Shares to Shubham Khadwalia.

(7) Pursuant to Board Resolution dated February 08, 2022, our Company has allotted 5,081,600 Equity Shares to Ranbir Singh Khadwalia, 2,662,587 Equity Shares to Sunita Saini, 129,990 Equity Shares to Sat Prakash Mittal, 249,333 Equity Shares to Anshul Khadwalia, 38,600 Equity Shares to Shubham Khadwalia, 21,000 Equity Shares to Preeti Mittal, 20,000 Equity Shares to Ankit Mittal, 91,800 Equity Shares to M/s. Kyoor Healthcare Limited, 1,092,990 Equity Shares to M/s. Futuristic Mining and Construction Solutions LLP.

(8) Pursuant to Board Resolution dated August 22, 2023, our Company has allotted 10,16,3200 Equity Shares to Ranbir Singh Khadwalia, 5,325,174 Equity Shares to Sunita Saini, 2,59,980 Equity Shares to Sat Prakash Mittal, 498,666 Equity Shares to Anshul Khadwalia, 77,200 Equity Shares to Shubham Khadwalia, 42,000 Equity Shares to Preeti Mittal, 40,000 Equity Shares to Ankit Mittal, 183,600 Equity Shares to M/s. Kyoor Healthcare Limited, 2,185,980 Equity Shares to M/s. Futuristic Mining and Construction Solutions LLP.

2. Shares issued for consideration other than cash or out of revaluation reserves

Our Company has not issued any Equity Shares, including any bonus shares, out of revaluation of reserves at any time.

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

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
March 23, 2005	Ranbir Singh Khadwalia	2,839,100	10.00	NA	Bonus Issue	Expansion of capital
	Sunita Saini	843,560				
	Futuristic Mining and Construction Solutions LLP (Converted & formally known as Welcut Marketing Private Limited)	461,000				
	Sat Prakash Mittal	109,990				
	Sudesh Rani	92,100				
	Ganga Bishan	73,300				
	Kyoor Healthcare Limited (Formally known as Indo German Pneumatics Limited)	45,900				
	Nirmal Mittal	40,000				
	Preeti Mittal	21,000				
	Rajesh Saini	6,000				
	Attar Singh Saini	1,000				
	Ritu Saini	1,000				
TOTAL		**4,533,950**				

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
February 08, 2022	Ranbir Singh Khadwalia	5,081,600	10.00	NA	Bonus Issue	Expansion of capital
	Sunita Saini	2,662,587				
	Sat Prakash Mittal	1,29,990				
	Anshul Khadwalia	249,333				
	Shubham Khadwalia	38,600				
	Preeti Mittal	21,000				

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
	Ankit Mittal	20,000				
	M/s. Kyoor Healthcare Limited	91,800				
	M/s. Futuristic Mining and Construction Solutions LLP	1,092,990				
TOTAL		**9,387,900**				

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
August 22, 2023	Ranbir Singh Khadwalia	10,163,200	10.00	NA	Bonus Issue	Expansion of capital
	Sunita Saini	5,325,174				
	Sat Prakash Mittal	259,980				
	Anshul Khadwalia	498,666				
	Shubham Khadwalia	77,200				
	Preeti Mittal	42,000				
	Ankit Mittal	40,000				
	M/s. Kyoor Healthcare Limited	183,600				
	M/s. Futuristic Mining and Construction Solutions LLP	2,185,980				
TOTAL		**18,775,800**				

Note: The Promoters and Promoter Group Selling Shareholders are offering shares in the "Offer for Sale" which includes bonus issue shares allotted to them from time to time.

3. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under the provisions of Sections 391-394 of the Companies Act, 1956or Sections 230-240 of the Companies Act, 2013.

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

5. Issue of Equity Shares at price that may be lower than the Issue Price during the preceding 1 (one) year

No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Red Herring Prospectus except as stated below:

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
August 22, 2023	Ranbir Singh Khadwalia	10,163,200	10.00	NA	Bonus Issue	Expansion of capital
	Sunita Saini	5,325,174				
	Sat Prakash Mittal	259,980				
	Anshul Khadwalia	498,666				
	Shubham Khadwalia	77,200				
	Preeti Mittal	42,000				
	Ankit Mittal	40,000				
	M/s. Kyoor Healthcare Limited	183,600				
	M/s. Futuristic Mining and Construction Solutions LLP	2,185,980				
TOTAL		**18,775,800**				

6. **Shareholding Pattern of our Company**

a) The following is the shareholding pattern of the Company as on the date of this Draft Red Herring Prospectus

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
								Class-Equity	Class	Total								
A	Promoters& Promoter Group	9	37,551,600	-	-	37,551,600	100.00%	37,551,600	-	37,551,600	100.00%	-	100.00%	-	-	-	-	37,551,600
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non - Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**9**	**37,551,600**	**-**	**-**	**37,551,600**	**100.00%**	**37,551,600**	**-**	**37,551,600**	**100.00%**	**-**	**100.00%**	**-**	**-**	**-**	**-**	**37,551,600**

b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Offer Share Capital (%)
1.	Ranbir Singh Khadwalia	20,326,400	54.13%
2.	Sunita Saini	10,650,348	28.36%
3.	M/s Futuristic Mining and Construction Solutions LLP	4,371,960	11.64%
4.	Anshul Khadwalia	997,332	2.66%
5.	Sat Prakash Mittal	519,960	1.38%
Total		**36,866,000**	**98.17%**

c) Our Company has not issued any warrants, convertible debentures; loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion.

d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Offer Share Capital (%)
1.	Ranbir Singh Khadwalia	5,077,600	54.09%
2.	Sunita Saini	2,662,587	28.36%
3.	M/s Futuristic Mining and Construction Solutions LLP	1,092,990	11.64%
4.	Anshul Khadwalia	249,333	2.66%
5.	Sat Prakash Mittal	129,990	1.38%
Total		**9,212,500**	**98.13%**

e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Offer Share Capital (%)
1.	Ranbir Singh Khadwalia	1,0163,200	54.13%
2.	Sunita Saini	5,325,174	28.36%
3.	M/s Futuristic Mining and Construction Solutions LLP	2,185,980	11.64%
4.	Anshul Khadwalia	498,666	2.66%
5.	Sat Prakash Mittal	259,980	1.38%
Total		**18,433,000**	**98.17%**

f) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of ten days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Offer Share Capital (%)
1.	Ranbir Singh Khadwalia	20,326,400	54.13%
2.	Sunita Saini	10,650,348	28.36%
3.	M/s Futuristic Mining and Construction Solutions LLP	4,371,960	11.64%
4.	Anshul Khadwalia	997,332	2.66%
5.	Sat Prakash Mittal	519,960	1.38%
Total		**36,866,000**	**98.17%**

g) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

7. Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or otherwise.

8. Shareholding of our Promoters

a) Build-up of the shareholding of our Promoters and Selling Shareholder

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	FV (₹)	Acquisition / Transfer Price (₹)	No. of Equity Shares	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
Ranbir Singh Khadwalia*							
October 05, 1994	Subscription to MOA	Cash	10.00	10.00	100	0.00	0.00
February 21, 1998	Further Allotment	Cash	10.00	10.00	7,800	0.02	0.02
March 28, 2001	Further Allotment	Cash	10.00	10.00	399,450	1.06	0.83
June 15, 2004	Transfer	Cash	10.00	10.00	30,100	0.08	0.06
February 28, 2005	Transfer	Cash	10.00	10.00	551,250	1.47	1.15
March 17, 2005	Transfer	Cash	10.00	10.00	1,850,400	4.93	3.85
March 23, 2005	Bonus Issue	Other Than Consideration	10.00	NA	2,839,100	7.56	5.91
December 22, 2007	Inter-se Transfer (Gift)	Other Than Consideration	10.00	NIL	330,800	0.88	0.69
August 09, 2013	Inter-se Transfer (Gift)	Other Than Consideration	10.00	NIL	(1,009,000)	(2.69)	(2.10)
September 21, 2018	Rights Issue	Cash	10.00	187.50	77,600	0.21	0.16
March 31, 2022	Inter-se Transfer (Gift)	Other Than Consideration	10.00	NIL	4,000	0.01	0.01
February 08, 2022	Bonus Issue	Other Than Consideration	10.00	NA	5,081,600	13.53	10.58
August 22, 2023	Bonus Issue	Other Than Consideration	10.00	NA	10,163,200	27.06	21.15
Total					**20,326,400**	**54.13**	**42.30**
** Ranbir Singh Khadwalia is selling 3,500,000 shares, representing 7.28% of Post Issue Equity Share Capital of the Company via Offer for Sale.*							

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	FV (₹)	Acquisition / Transfer Price (₹)	No. of Equity Shares	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
Sunita Saini							
October 05, 1994	Subscription to MOA	Cash	10.00	10.00	100	0.00	0.00
March 28, 2001	Further Allotment	Cash	10.00	10.00	460,260	1.23	0.96
June 15, 2004	Transfer	Cash	10.00	10.00	60,000	0.16	0.12
February	Transfer	Cash	10.00	10.00	95,700	0.25	0.20

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	FV (₹)	Acquisition / Transfer Price (₹)	No. of Equity Shares	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
28, 2005							
March 17, 2005	Transfer	Cash	10.00	10.00	227,500	0.61	0.47
March 23, 2005	Bonus Issue	Other Than Consideration	10.00	NA	843,560	2.25	1.76
December 22, 2007	Inter-se Transfer (Gift)	Other Than Consideration	10.00	NIL	12,000	0.03	0.02
March 18, 2016	Inter-se Transfer (Gift)	Other Than Consideration	10.00	NIL	800,000	2.13	1.66
September 21, 2018	Rights Issue	Other Than Consideration	10.00	187.50	163,467	0.44	0.34
February 08, 2022	Bonus Issue	Other Than Consideration	10.00	NA	2,662,587	7.09	5.54
August 22, 2023	Bonus Issue	Other Than Consideration	10.00	NA	5,325,174	14.18	11.08
Total					**10,650,348**	**28.36**	**22.16**

Notes:

- None of the equity shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Issue for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

b) Pre-Offer and Post-Offer Shareholding of our Promoters and Promoter Group

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

Sr. No.	Category of Promoter	Pre-Offer		Post- Offer	
		No. of Equity Shares	Percentage of Pre- Offer capital (%)	No. of Equity Shares	Percentage of Post- Offer capital (%)
A. Promoters					
1	Ranbir Singh Khadwalia*	203,26,400	54.13	16,826,400	35.02
2	Sunita Saini	10,650,348	28.36	106,50,348	22.16
Sub-Total (A)		**30,976,748**	**82.49**	**27,476,748**	**57.18**
B. Promoter Group					
1	M/s Futuristic Mining and Construction Solutions LLP	4,371,960	11.64	4,371,960	9.10
2	Anshul Khadwalia	997,332	2.66	997,332	2.08
3	Sat Prakash Mittal	519,960	1.38	519,960	1.08
4	M/s Kyoor Healthcare Limited	367,200	0.98	367,200	0.76
5	Shubham Khadwalia	154,400	0.41	154,400	0.32
6	Preeti Mittal	84,000	0.22	84,000	0.17
7	Ankit Mittal	80,000	0.21	80,000	0.17
Sub-Total (B)		**6,574,852**	**17.51**	**6,574,852**	**13.68**
Total (A+B)		**37,551,600**	**100.00**	**340,51,600**	**70.86**

** Ranbir Singh Khadwalia is selling upto 3,500,000 shares, representing 7.28% of Post Issue Equity Share Capital of the Company via Offer for Sale.*

9. Our Company has nine (9) shareholders, as on the date of this Draft Red Herring Prospectus.

10. We hereby confirm that:

a. None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Red Herring Prospectus except as disclosed above in this chapter.

b. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

11. Promoter's Contribution and other Lock-in details

a) *Details of Promoter's Contribution locked-in for eighteen (18) months*

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- Offer Equity Share capital of our Company held by the Promoters, shall be locked in for a period of eighteen months as minimum Promoter's contribution from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post- Offer Equity Share capital shall be locked in for a period of six months from the date of allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of eighteen months from the date of allotment, are set out in the following table:

Name of Promoter	No. of Equity Shares Locked-in*	% Of the post- Offer equity share capital
Ranbir Singh Khadwalia	5,620,000	11.70%
Sunita Saini	4,000,000	8.32%
Total	**9,620,000**	20.02%

**Subject to finalisation of Basis of Allotment. All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be. For details regarding allotment of the above Equity Shares, please refer Note no. 8 under "Notes to Capital Structure" on page no. 65 of this Draft Red Herring Prospectus.*

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Promoter's Contribution. Our Promoters has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

i. The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

ii. The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

iii. Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm

iv. The Equity Shares forming part of the promoter's contribution are not subject to any pledge and

v. All Equity Shares held by our Promoters are in dematerialized form.

We further confirm that our Promoter's Contribution of 20% of the Post-Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

b) Other Lock-in requirements

i. In addition to the 20% of the post-Offer shareholding of our Company held by the Promoters and locked in for eighteen months as specified above, and pursuant to Regulation 17 of the SEBI ICDR Regulations the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment.

ii. Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in for a period of eighteen months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans;

iii. Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans;

iv. Pursuant to Regulation 22 of the SEBI ICDR Regulations, (a) the Equity Shares held by the Promoters, which are locked-in may be transferred to and among the members of the Promoter Group or to any new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable and (b) the Equity Shares held by persons other than the Promoter and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations;

c) Lock-in of Equity Shares Allotted to Anchor Investors:

In terms of Schedule XIII of the SEBI ICDR Regulations, Equity Shares allotted to Anchor Investors, if any, pursuant to the Offer under the Anchor Investor Portion, if applicable, shall be a locked-in of 90 days on fifty per cent of the shares allotted to the anchor investors from the date of allotment, and a locked-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors from the date allotment.

12. Our Company, our Promoters, the Selling Shareholder, our Directors and the BRLM have not made any or entered into any buy-back arrangements for purchase of Equity Shares to be issued as a part of the Offer.

13. There are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares were fully paid up as on the date of allotment. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid up at the time of Allotment.

14. As on the date of this Draft Red Herring Prospectus, the BRLM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company.

The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in investment banking transactions with our Company for which they may in the future receive customary compensation.

15. Our Company has no outstanding ESOP's, warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares nor has the company ever allotted any equity shares pursuant to conversion of ESOP's as on the date of this Draft Red Herring Prospectus.

16. Subject to valid applications being received at or above the Offer Price, under subscription, if any, in any of the categories except the QIB Portion, would be allowed to be met with spill-over from any of the other categories (including QIB) or a combination of categories at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 49 of SEBI ICDR Regulations.

17. The BRLM and persons related to the BRLM or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLM, or insurance companies promoted by entities which are associates of the BRLM or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLM

18. No person connected with the Issue, including, but not limited to, the members of the Syndicate, our Company, the Selling Shareholders, our Subsidiaries, our Directors, our Promoters or the members of our Promoter Group and Group Company, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise, except for fees or commission for services rendered in relation to the Issue, shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Issue

19. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

20. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus with the SEBI and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

21. Our Promoters, our Promoter Group and Group Companies will not participate in the Issue, except by way of participation as Selling Shareholder, as applicable, in the Offer for Sale.

22. The Promoters and members of our Promoter Group will not receive any proceeds from the Issue, except to the extent of their participation as Selling Shareholder in the Offer for Sale.

SECTION V – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to 10,500,000 Equity Shares, aggregating up to ₹ [●] million by our Company (the "Fresh Issue") and an Offer for Sale of up to 3,500,000 Equity Shares, aggregating up to ₹ [●] million by the Promoter Selling Shareholders (the "Offer for Sale"). For details of the Promoter Selling Shareholders and their respective portion of the Offered Shares, see "*The Offer*" on page 51.

Offer for Sale

The Promoter Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale by the Promoter Selling Shareholders and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue Proceeds & Net Fresh Issue Proceeds

Fresh Issue Proceeds

The details of the proceeds of the Fresh Issue are set forth in the table below:

(₹ in million)

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Fresh Issue[1]	[●]
2	Less: Company's share of Offer related expenses [2 & 3]	[●]
	Net Proceeds of the Fresh Issue	[●]

[1] Subject to the full subscription of the Fresh Issue component

[2] Except for the listing fees, which will be borne by our Company, all other expenses relating to the Offer will be borne by our Company and our Promoter Selling Shareholder in proportion to the Equity Shares contributed to the Offer. For further details, please see "Offer Related Expenses" as given below in this section. The Offer expenses are estimated expenses and are subject to change.

Net Fresh Issue

The Objects of the Net Fresh Issue is to raise funds for:

1) Setting up new Dedicated Unit for Expansion of our Pick & Carry Cranes Manufacturing Capacity

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

3) Further Investment in our NBFC Subsidiary (Barota Finance Ltd.) for financing the augmentation of its capital base to meet its future capital requirements.

4) General Corporate Purposes

In addition to the aforementioned objects, our Company intends to strengthen its capital base and expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand and our Company among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Offer. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

Utilization of Net Proceeds and Schedule of Deployment

The Net Proceeds are proposed to be utilised and are currently expected to be deployed in accordance with the schedule set forth below

(₹in millions)

Sr. No.	Particulars	Total Estimated Cost	Amount which will be financed from Net Proceeds	Deployment in FY 2023-24	Deployment in FY 2024-25
1	Setting up new Dedicated Unit for Expansion of our Pick & Carry Cranes Manufacturing Capacity	706.15	706.15	100.00[(1)]	606.15[(1)]
2	Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	600.00	600.00	-	600.00
3	Further Investment in our NBFC Subsidiary (Barota Finance Ltd.) for financing the augmentation of its capital base to meet its future capital requirements.	450.00	450.00	-	450.00
4	General Corporate Purposes[(2)]	[●]	[●]	-	[●]
Total		**[●]**	**[●]**	**100.00**	**[●]**

[(1)]The amount spent / to be spend, on the projet upto the date of the receipt of net proceeds of the offer shall be borne by our Company from our internal accruals and the same would be recouped in total once the net proceeds of the offer are received.

[(2)]To be determined on finalisation of the Offer Price and updated in the Prospectus. The amount utilised for General Corporate Purposes shall not exceed 25% of the Net Proceeds of the Offer.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, 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 our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if required and towards 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 the SEBI ICDR Regulations

Means of finance

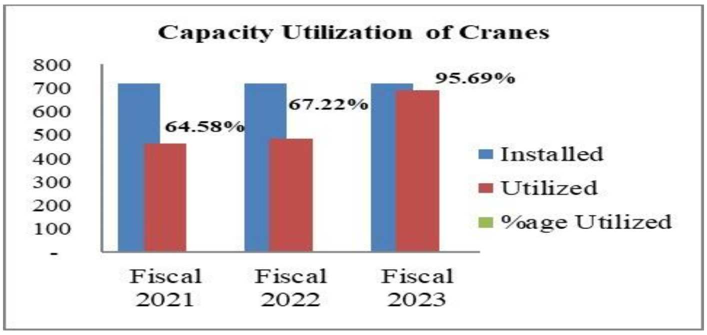
The entire proposed expenditure will be met from the Net Proceeds and no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals

Details of the Objects of the Fresh Issue

1) ***Setting up new Dedicated Unit for Expansion of our Pick & Carry Cranes Manufacturing Capacity***

Our company manufactures Tractors and Pick & Carry Cranes. For other details of our Pick and Carry Crane Business, please refer to chapter titled "Our Business" beginning on page 123 of this Draft Red Herring Prospectus. We currently manufacture these cranes within a section of our manufacturing unit which also houses our Tractor and other equipment manufacturing setups. The current installed capacity is 720 cranes per annum.

Details of our installed and utilised capacities for the Pick and Carry Crane Division for the last three financial years are as below:



Our average capacity utilization for cranes for last 3 fiscal years is above 75% and has increased to 95.69% in Fiscal 2023. Since we have already utilized the crane manufacturing capacity to its peak and we are foreseeing strong demand for this product in our market. Hence, we now intend to enhance production capacity by setting up an additional dedicated Pick and Carry Crane production line facility. This facility is being proposed to be set up on land parcel close by from our existing unit. The proposed project will enhance our production capacity of Pick and Carry Cranes by 3,600 cranes per annum.

We require to make investment in *inter alia* land, land development, construction of factory building, equipment, plant and machinery and furniture and fixtures. The total cost of setting up this project is estimated at ₹ 706.15 million and the entire cost is proposed to be financed from the Net Proceeds of the Offer.

The details of the cost of project are as entailed below:

Cost of Project

(₹ in millions)

Particulars	Estimated Cost
Land	28.24
Land Development	90.00
Factory Building, Shed and other Civil Works	214.10
Equipment, Plant & Machinery	266.48
Electrification and Misc. Fixed Assets	68.28
Pre-Operative Expenses, Security HPSEB and Contingencies	39.05
Total	**706.15**

Note: The fund requirements for the setting up new Dedicated Unit for Expansion of our Pick & Carry Cranes Manufacturing capacity are based on the report dated September 27, 2023 issued by Mr. Nikka Ram, Independent Professional Engineers ("Project Report").

Land

The project is proposed to be set up on land which is close by from our existing unit. The same has been allotted to us on an leasehold basis for a period of 95 years by the Himachal Pradesh State Industrial Development Corporation and is located at Plot No. 1, Industrial Area Malkumajra (Near Bhud), Baddi, District Solan, Himachal Pradesh admeasuring 1,12,950 sq. mtrs.

As per the terms agreed with HPSIDC, the company is supposed to pay an aggregated amount of ₹ 28.24 million as total lease for the land, with 12% amount (aggregating to ₹ 3.39 million) payable on signing the agreement and the remaining 88% amounts over the next 8 yearly installments. As on date of this Draft Red Herring Prospectus, the company has already paid ₹ 6.50 million from its internal accruals (which will be recouped from the IPO proceeds) and the company has received symbolic possession for the land. We propose to pre-pay the entire remaining amount of ₹ 21.74 million from the Net Proceeds of the Offer.

From the date of filing this Draft Red Herring Prospectus and upto the date of the receipt of net proceeds of the offer, any further amounts paid for the land to HPSIDC shall be remitted by the company from its internal accruals and the same would be recouped in total once the net proceeds of the offer are received.

Land Development

The land requires certain land development works such as soil filing, land leveling, and erection of retaining and boundary walls. The amount proposed to be spent for land development for this proposed is ₹ 90.00 million.

Sr. No.	Particulars	Total (₹ in Millions)	Quotation Details		
			Date	Validity	From
1	Soil Filling & Leveling	40.00	September 22, 2023	March 31, 2024	Architect Sapna Maita Associates
2	Retaining wall and Boundary wall	50.00	September 22, 2023	March 31, 2024	Architect Sapna Maita Associates
Total		**90.00**			

Factory Building, Shed and other Civil Works

The proposed project is to be built in a Main shed area of 22,500 sq. mtrs and a PDI Shed area of 2,100 sq. mtrs and also various ancillary structures including but not limited to Staff Office, Admin Office, Canteen, Staff Washrooms, Parking Sheds, Security Room, Power House Buildings etc. The related civil works costs would include costs for Excavation Shed Area, Back filings of Sheds, Steel Re-enforcements, M20 Concreating, Draining lines, Fire Pipe lines, painting, plumbing work and water tanks and lines and electricals etc. The amount proposed to be spent towards Factory Building, Shed and other civil works is ₹ 215.96 million.

Sr. No.	Particulars	Total (₹ in Millions)	Quotation Details		
			Date	Validity	From
1	Construction of Shed	84.00	September 13, 2023	March 31, 2024	Architect Sapna Maita Associates
2	Other civil works	130.05	September 13, 2023	March 31, 2024	Architect Sapna Maita Associates
Total		**214.10**			

Equipment, Plant & Machinery

The proposed unit would increase our Pick and Carry Crane manufacturing capacity by 3,600 units per annum. The equipments and machines required for the project include Plasma Cutting Machines, Laser Cutting Machines, Co2 Argon Tank, Oxy Fuel Cutting Machines, Bending Machines, Shearing Machines, Radial Drill Machines, Welding Machines, Paint Ship, Assembly Lines, Boring Machines and other fixtures and tools etc. It further includes the cost of pipes and fittings, pumps, electricals, instrumentation, quality control and laboratory equipment, fire and safety measure, network and servers, effluent treatment plant, storage, warehouse and structural costs. The total estimated cost for equipment, plant and machinery for the Proposed Project is ₹ 266.48 million.

Sr. No.	Particulars	Total (₹ in Millions)	Quotation Details		
			Date	Validity	From
1	Co2 / Argon Tank	11.96	September 13, 2023	NA	Chandigarh Gases
2	Plasma Cutting Machine	41.10	August 14, 2023	December 30, 2023	Messer Cutting Systems India Private Limited
3	Laser Cutting Machine	12.71	July 20, 2023	December 31, 2023	Electronica HiTechMachine Tools Pvt Ltd
4	Oxy Fuel Cutting	12.31	August 21, 2023	December 30, 2023	Messer Cutting

Sr. No.	Particulars	Total (₹ in Millions)	Quotation Details		
			Date	Validity	From
	Machine				Systems India Private Limited
5	Bending Machine	14.67	July 07, 2023	December 23, 2023	Hindustan Hydraulics
6	Bending Machine	14.19	July 20, 2023	December 31, 2023	Electronica HiTechMachine Tools Pvt Ltd
7	Shearing Machine	3.53	July 07, 2023	December 23, 2023	Hindustan Hydraulics
8	Shearing Machine	2.59	July 07, 2023	December 23, 2023	Hindustan Hydraulics
9	Radial Drill Machine	6.00	May 01, 2023	December 30, 2023	Batliboi
10	Hydraulic Press	33.00	July 20, 2023	December 31, 2023	Electronica HiTechMachine Tools Pvt Ltd
11	Mig + Arc Welding Machine	11.80	July 06, 2023	NA	PANASONIC Smart Factory Solution India Pvt Ltd.
12	Saw Welding Machine	2.18	July 05, 2023	December 30, 2023	ESAB India Limited
13	Paint Shop Conveyor And Booth + Oven	23.60	September 12, 2023	NA	ACME Industries
14	Assembly Line 1	7.91	September 13, 2023	NA	ASR Enterprises
15	Assembly Line 2	5.53	Sep 13, 2023	NA	ASR Enterprises
16	Mdhe Forklift 3 T	6.71	February 02, 2023	December 30, 2023	Toyota Material handling India Pvt Ltd
17	Fixtures, Gauges And Tools	31.15	September 02, 2023	November 02, 2023	R.K Enterprises
18	Misc. (Pipe Cutting, Band Saw Etc.)	5.81	September 23, 2023	November 07, 2023	Indotech Industries (I) Pvt Ltd
	Total	**246.75**			
	Add: Erecetioning & Commissioning Expenses	12.33			
	Freight & Insurance	7.40			
	Grand Total	**266.48**			

Electrification and other Fixed Assets

The proposed project would require a power load of 900 KW. Further other miscellaneous fixed assets include Furniture and Fixtures for the office area and computers and other miscellaneous items for the factory unit and office areas. The total estimated cost for the same is ₹ 74.13 million.

Sr. No.	Particulars	Total (₹ in Millions)	Quotation Details		
			Date	Validity	From
1	Electrical Equipment & Fittings	46.80	September 05, 2023	March 31, 2024	Monu and Company
2	Miscellaneous Fixed Assets	5.40	September 26, 2023	December 31, 2023	Micronet Computer Systems
		11.37	September 26, 2023	December 31, 2023	Geeken Design Concepts Private

Sr. No.	Particulars	Total (₹ in Millions)	Quotation Details		
			Date	Validity	From
					Limited
		3.18	September 26, 2023	December 31, 2023	Dekor Unlimited
		1.53	September 05, 2023	March 31, 2024	Monu and Company
Total		**68.28**			

Pre-Operative Expenses and Contingencies

We have estimated a total amount of ₹ 39.05 towards Pre-Operative Expenses, Security HPSEB and Contingencies. The same would include increase in cost of machines, minor delays / changes to proposed structure set up etc.

However, we have not entered into any definitive agreements with the suppliers and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services at the same costs.

The quotations received from the above suppliers are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with the suppliers and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services 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.

Please refer "*Risk Factor–Our proposed expansion plans w.r.t our new manufacturing facilities being set up are subject to the risk of unanticipated delays in implementation and cost overruns.*" on page 26 of this Draft Red Herring Prospectus. We do not intend to purchase any second-hand equipment in relation to this Object.

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.

Proposed schedule of implementation of the Proposed Project

The proposed schedule of activities as per certificate dated September 27, 2023 issued by Mr. Nikka Ram, Independent Professional Engineer, in respect of the Proposed Project are as follows:

Sr. No.	Particulars	Timelines	
		Start Date	Completion Date
1	Purchase of Land	Acquired	Acquired
2	Possession of Land	Obtained	Obtained
3	Application for Requisite Approvals	November 01, 2023	July 31, 2024
4	Construction of Building & Structure Completion	February 07, 2024	June 30, 2024
5	Placing of orders of Plant & Machinery and other Assets	February 15, 2024	April 30, 2024
6	Delivery of Plant & Machinery and other Assets	April 01, 2024	June 30, 2024
7	Erectioning and Commissioning	July 01, 2024	July 31, 2024
8	Trial Run	August 01, 2024	August 15, 2024
9	Commercial Production	September 01, 2024	

Infrastructure

The key raw material required for manufacturing of cranes are MS & SS Steel, Hydraulic Cylinders, winch and allied accessories, engine and its parts and other electrical parts etc. All the key raw material components are indigenously available and there are no constraints in the supply of the raw material. We will require manpower of around 350 people at proposed plant. The skilled and unskilled manpower is locally available, as Baddi is the largest industrial hub and near to tricity of Chandigarh. Further we will require power load of 900kw which will be availed from the State Electricity Board of Himachal Pradesh. Besides our company will install our own DG sets.

Government approvals

In relation to the Proposed Project, we are required to obtain approvals, from certain governmental or local authorities as provided in the table below and as certified by Mr. Nikka Ram, Independent Professional Engineer pursuant to his certificate dated September 27, 2023.

Name of the government approvals	Authority	Application Date	Date of Approval	Stage at which approvals are required	Status	Critical / Routine Approval
Approval of the Architectural lay out of the factory building	Chef Inspector of Factories Labour & Employment Dept.	September 25, 2023	September 26, 2023	Before Starting of Construction	Received	Critical
Consent to Establishment	State Pollution Control Board	September 09, 2023	Awaited	Before Starting of Construction	Applied For	Critical
Water NOC	Jal Shakti Vibagh Irrigation & Public Health	-	-	Before Starting of Construction	Pending	Routine
Power NOC	Himachal State Electricity Board	-	-	Temporary Connection before starting of Construction Activities and Permanent Connection before Trial Run	Pending	Routine
Factory License	Chef Inspector of Factories Labour & Employment Dept.	-	-	Before Commencement of Trial-Run Production	Pending	Routine
Environment Clearances	State Pollution Control Board	-	-		Pending	Routine
Permission under Hazardous Waste	State Pollution Control Board	-	-		Pending	Routine
Consent to Operate under Water and Air Act	State Pollution Control Board	-	-		Pending	Routine
No Objection Certificate from Fire Department	Fire Service Department Himachal Pradesh	-	-		Pending	Routine

Our Company undertakes to file necessary applications with the relevant authorities for obtaining all above mentioned approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation may be extended and our Company will undertake the required corporate actions as mentioned under "*Variation in Objects*" on page 87 of this Draft Red Herring Prospectus. For further details on the pending applications in relation to the Proposed Project, see "*Risk Factor – Our proposed expansion plans w.r.t our new manufacturing facilities being set up are subject to the risk of unanticipated delays in implementation and cost overruns.*" on page 26 of this Draft Red Herring Prospectus.

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

Our Company has entered into various financing arrangements with banks and financial institutions. The loan facilities availed by our Company includes borrowing in the form of, inter alia, Term loans, Business Loans, WCTL facilities, Vehicle loans and other fund-based working capital loans.

As at March 31, 2023, our total outstanding borrowings on a standalone basis amounted to ₹ 1,704.86 million. For further details,see "Financial Indebtedness" on page 282. Our Company proposes to utilise an estimated amount of ₹600.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certainborrowings availed by our Company. Our Company may avail further loans and/or draw down further fundsunder existing loans from time to time

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness improve our debt-to-equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion.

Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business. The loan facilities are listed below in no particular order of priority.

The following table provides the details of borrowings availed by our Company and outstanding amounts as of March 31, 2023, which we have identified to repay or prepay, in full or in part, from the Net Proceeds . In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated September 19, 2023 from Deepak Jindal & Co., our Statutory Auditors, certifying the utilization of each loan for the purpose for which it was availed and the amount outstanding as on March 31, 2023.

Sr. No.	**Name of the Lender**	**Nature of borrowing**	**Amount sanctioned (Rs. in millions)**	**Amount outstanding as on March 31, 2023**	**Interest Rate (in % p.a.)**	**Repayment Schedule / tenor**	**Prepayment penalty / conditions**	**Purpose**
1	Federal Bank	WCTL	35.50	25.36	9.25%	32 Monthly EMI of Rs. 0.88 Millions& 1 Monthly EMI of Rs. 0.34 Millions (Inclusive of Interest amount)	Nil	Working capital requirements and General Business Purposes
2	Federal Bank	WCTL	50.00	41.67	9.75%	50 Monthly Installments of Rs.0.83 Millions	3% of Balance outstanding or DP whichever is higher or amount of prepayment in case of limit closed during the tenure of loan either by own fund or by way of takeover by other financial institutions	Working capital requirements and General Business Purposes
3	Federal Bank	WCTL	43.10	34.16	9.75%	59 Monthly installments of Rs. of 0.71 million& 1 monthly EMI of Rs.0.23 Million (Inclusive of interest amount)	3% of Balance outstanding or DP whichever is higher or amount of prepayment in case of limit closed during the tenure of	Working capital requirements and General Business Purposes

Sr. No.	Name of the Lender	Nature of borrowing	Amount sanctioned (Rs. in millions)	Amount outstanding as on March 31, 2023	Interest Rate (in % p.a.)	Repayment Schedule / tenor	Prepayment penalty / conditions	Purpose
							loan either by own fund or by way of takeover by other financial institutions	
4	Canara Bank	WCTL	125.00	91.20	9.10%	"34 monthly installments of Rs2.6 Million and 1 monthly Installment of Rs 2.8 Millions."	NIL	Working capital requirements and General Business Purposes
5	PNB	WCTL	95.00	64.79	9.25%	33 monthly installments of Rs 1.97 Millions	NIL	Working capital requirements and General Business Purposes
6	Canara Bank	Cash Credit Facility	850.00	669.59	9.30%	Repayable on demand	2% of the loan amount prepaid only in case liability is taken over by other banks/Fis	Working Capital requirements
7	PNB	Cash Credit Facility	500.00	491.87	9.40%	Repayable on demand	NA	Working Capital requirements
Total			**1,698.60**	**1,418.64**				

3) Further Investment in our NBFC Subsidiary (Barota Finance Ltd.) for financing the augmentation of its capital base to meet its future capital requirements.

Our company has a wholly owned subsidiary by the name of Barota Finance Ltd. This company is an RBI registered Non-Banking Financial Company (Non-Deposit Taking Non Systematically Important) bearing RBI Regn. No. B-06.00606.

This company is primarily in the business of financing the tractors which are sold by our company and also finances other pre-owned vehicles of other brands as well. We believe that we have over the years created a fully integrated eco-system for ensuring high quality products and financial support for our customers. Easy in-house finance facilities enable our customers to purchase our products with ease of finance. These loans assist in acquiring tractors with ease. We offer flexible repayment options. Loan amounts and terms are customized to each borrower's need ensuring a perfect fit for every farmer.

As on March 31, 2023, our company had a total Loan Book (Vehicle Finance) of Rs. 1,500.51 million and served over 5,900 active customers. For further details of our NBFC business, please refer "Our Business" beginning on page 123 of this Draft Red Herring Prospectus.

We intend to augment the capital base of BFL to support the future growth in the NBFC business and hence we intend to utilise a part of the Net Proceeds amounting to Rs. 450.00 million to make a further investment in our NBFC subsidiary i.e. BFL. We shall be deploying Net Proceeds in BFL in the form of debt or equity or in any other manner as may be decided by our Board of Directors. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus and details of the same shall be provided in the Red Herring Prospectus.

For further details regarding the board of directors, registered address and other key financial information of BFL, please refer the section titled "Our Subsidiaries" beginning on page no. 166 of this Draft Red Herring Prospectus. The audited financial statements of BFL for past three full financial years immediately preceding the date of this Draft Red Herring Prospectus have been provided on our website in accordance with the ICDR Regulations.

4) General Corporate Purposes

We propose to deploy ₹ [●] million, aggregating to [●]% of the Gross Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, reduce consolidated debt levels, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board.

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, including excess amount, if any, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through the Offer of Equity Shares.

OFFER RELATED EXPENSES

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

Sr. No.	Particulars	Amount (₹ in million) *	% of Total Expenses*	% of Total Offer Size*
1	Offer Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]%	[●]%
2	Brokerage and Selling Commission (1)(2)(3)(4)	[●]	[●]%	[●]%
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%
4	Advertisement and Marketing Expenses	[●]	[●]%	[●]%
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●]%	[●]%
Total		**[●]**	**[●]%**	**[●]%**

** To be incorporated in the Prospectus after finalization of the Offer Price.*

1) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs would be as follows:*

Portion for Retail Individual Bidders#	*[●] % of the Amount Allotted (plus GST)*
Portion for Non-Institutional Bidders#	*[●] % of the Amount Allotted (plus GST)*

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

No additional uploading/processing charges shall be payable by the Company to the SCSBs on the Bid cum Application Forms directly procured by them. 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 BSE or NSE.

2) *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 Brokers / RTAs / CDPs and submitted to SCSBs for blocking, would be as follows.*

Portion for Retail Individual Bidders#	*₹ [●]/- per ASBA Form (plus GST)*
Portion for Non-Institutional Bidders#	*₹ [●]/- per ASBA Form (plus GST)*

#based on valid Bid cum Application Forms.

3) *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), RTAs and CDPs would be as follows:*

Portion for Retail Individual Bidders#	*[●] % of the Amount Allotted (plus GST)*

Portion for Non-Institutional Bidders#	*[●] % of the Amount Allotted (plus GST)*

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

4) *Bidding/uploading Charges payable to members of the Syndicate (including their Sub-Syndicate Members), Registered Brokers, CRTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by them and submitted to SCSB for blocking, would be ₹ [●] per valid application. The selling commission and Bidding Charges payable to the Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022; applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Member shall not be able to accept Bid cum Application Form above ₹500,000 and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Member to SCSB a special Bid cum Application Form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / Sub-Syndicate Member along with SM code & Broker code mentioned on the Bid cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹500,000 will not be eligible for brokerage.

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/CIR/P/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 such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April20, 2022and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Subject to applicable law, other than the listing fees, all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Selling Shareholders, on a pro-rata basis, in proportion to the number of Equity Shares, allotted by the Company in the Fresh Issue and sold by the Selling Shareholders in the Offer for Sale, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of their respective proportion of Offer related expenses, directly from the Public Offer Account. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offers related expenses will be borne by our Company. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Appraisal and Bridge Loans

The Objects have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be utilised from the Net Proceeds.

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds prior to the filing of the Red Herring Prospectus, as the Fresh Issue size exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be uploaded onto our website.

Interim Use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds with in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for any buying, trading or otherwise dealing in any equity or equity linked securities of any listed company or for any investment in the equity market.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and our Company shall include the requisite explanation in the director’s report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. Pursuant to the Companies Act, the Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Other Details and Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to the Promoters, members of the Promoter Group, the Directors, or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement / agreements with the Promoter, the Directors, and the Key Managerial Personnel in relation to the utilization of the Net Proceeds of the Offer. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

We confirm that the audited standalone financial statements of our Company for past three full financial years immediately preceding the date of filing of offer document have been provided on our website in accordance with the ICDR Regulations.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 123,24, 192 and 257, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

- Fully Integrated and established Manufacturing Setup
- Well educated and experienced management
- In-house NBFC Setup
- Manufacturing Wide Range of Products
- Product acceptability in multiple countries and wide variety of financial institutions

For more details on qualitative factors, refer to chapter *"Our Business-Our Strengths"* on page no. 123 of this Draft Red Herring Prospectus.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For more details on financial information; investors please refer the chapter titled "*Financial Information*" on page no. 192 of this Draft Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1) Basic and Diluted Earnings / Loss Per Share ("EPS")as adjusted for changes in capital:

Year ended March 31,	**Basic & Diluted**	
	EPS (in ₹)	**Weights**
2023	4.14	3
2022	3.65	2
2021	2.26	1
Weighted Average	**3.66**	

Notes:

a. The face value of each Equity Share is ₹10 each
b. Basic Earnings per share = Restated Consolidated Net profit after tax attributable to equity shareholders / Weighted average number of equity shares outstanding during the period/year.
c. Diluted Earnings per share = Restated Consolidated Net profit after tax attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the period/year.
d. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year /Total of weights.
e. Pursuant to a resolution of our shareholders dated August 18, 2023 the Members of Company in their extra ordinary general meeting has approved 1:1 bonus shares on fully paid equity shares having face value of ₹10 per share through capitalization of free reserves of the Company. The above bonus is retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with IND AS 33.
f. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Consolidated Financial Statement of the "Financial Information" beginning on page no. 192 of this Draft Red Herring Prospectus.

2) Price/Earning ("P/E") ratio in relation to price band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic and diluted EPS for Fiscal 2023	[●]	[●]

3) Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	53.21
Lowest	45.64
Industry Average	**49.42**

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the average P/E of the industry peer set disclosed in this section.

(2) The industry P / E ratio mentioned above is as per the closing rate as on September 25, 2023 quoted on NSE.

(3) All the financial information for listed industry peers is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

4) Return on Net worth (RoNW)

Year ended March 31,	RoNW (%)	Weight
2023	5.36%	3
2022	4.99%	2
2021	3.25%	1
Weighted Average	**4.89%**	

Notes:

a. *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e.[(Net Worth x Weight) for each year] / [Total of weights]*
b. *Return on Net Worth (%) = Net profit after tax as restated, attributable to the owners of the Company /Net worth as restated as at period/year end.*
c. *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation as on March 31, 2023, 2022 and 2021.*

5) Net Asset Value (NAV)

Financial Year	NAV (₹)
NAV as at March 31, 2023*	77.38
Offer Price	[●]
NAV after the Offer:	[●]

Notes:

a. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process*
b. *Net asset value per share= Net worth as restated / Number of Equity Shares as at period/ year end*
c. *The Company had bonus shares in the ratio of 1:1 on August 22, 2023. Net Asset Value after considering this bonus Issue is ₹ 77.38/- per share.*

6) Key Performance Indicators

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 19, 2023 and the Audit Committee has confirmed that it has verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus, if any. During the three years period prior to the date of filing of this Draft Red Herring Prospectus, no fresh allotment was made except for issuance of equity shares on bonus issue as disclosed in this section and section entitled "*Capital Structure*" on page no 65 of this Draft Red

Herring Prospectus. Further, the KPIs herein have been certified by M/s. Deepak Jindal & Co., Statutory Auditor, by their certificate dated September 19, 2023. For further details, please refer to the sections entitled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages no. 123 and 257 respectively of this Draft Red Herring Prospectus.

(₹ in Millions, except percentages and ratios)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations	3,707.59	3,520.84	2,677.81
EBIDTA [(1)]	587.18	520.69	411.53
EBIDTA Margin (%) [(2)]	15.79%	14.77%	15.32%
Restated profit for the period / year	155.64	137.19	84.92
Restated profit for the period / year Margin (%) [(3)]	4.19%	3.89%	3.16%
Return on Equity ("RoE") (%) [(4)]	5.36%	4.99%	3.25%
Return on Capital Employed ("RoCE") (%) [(5)]	8.66%	7.77%	6.61%
Net Debt / EBITDA Ratio	4.75	5.24	5.67

Notes:

[(1)] EBITDA is calculated as restated profit for the period / year plus tax expense plus depreciation and amortization plus finance costs plus exceptional items.
[(2)] EBITDA Margin is calculated as EBITDA divided by revenue from operations.
[(3)] Restated profit for the period / year margin is calculated as restated profit for the period / year divided by revenue from operations.
[(4)] RoE is calculated as Net profit after tax divided by Closing Equity.
[(5)] RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed.

We shall continue to disclose these KPIs, on a half yearly basis, for a duration that is at least the later of (i) two years after the listing date; and (ii) the utilization of the issue proceeds disclosed in the objects of the issue section of the Draft Red Herring Prospectus. We confirm that the on going KPIs would be certified by the statutory auditor of our Company

<u>Explanation for the Key Performance Indicators</u>

***Revenue from operations:** Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.*

***EBITDA:** EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.*

***EBITDA margin:** EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortization, and taxes.*

***Restated profit for the period / year:** Restated profit for the period / year represents the profit / loss that our Company makes for the financial year or during the given period. It provides information regarding the profitability of the business of our Company.*

***Restated profit for the period / year margin:** Restated profit for the period / year Margin is the ratio of Restated profit for the period / year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.*

***Return on Equity ("RoE")**: RoE refers to Restated profit for the period / year divided by Equity for the period. Equity is calculated as closing balance of the total equity at the end of the period. RoE is an indicator of our Company's efficiency as it measures our Company's profitability. RoE is indicative of the profit generation by our Company against the equity contribution.*

***Return on Capital Employed ("RoCE")**: RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company's efficiency as it* *measures our Company's profitability. RoCE is indicative of the profit generation by our Company against the capital employed.*

Net Debt/ EBITDA: *Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.*

7) Comparison of Key Performance Indicators with listed Industry Peers

Following are the Indian listed companies that are engaged in a business similar to that of our Company. Below is the industry comparison of Key Performance Indicators.

Particulars	CMP*	EPS	PE	RONW (%)	EV/ EBIDTA	NAV per share(₹)	Face Value (₹)	Revenue from Operations (₹ in Millions)
Indo Farm Equipment Limited	[●]	4.14	[●]	5.36%	[●]	77.38	10.00	3707.59
Peer Group **								
Escorts Kubota Limited	3,233.75	58.85	54.95	7.78%	35.62	620.19	10.00	84,286.90
Action Construction Equipment Limited	673.05	14.41	46.71	19.37%	30.53	77.27	2.00	21,596.75

** CMP for our Company shall be considered as Issue Price*
***Source: www.nseindia.com.*
Notes:

(i) *The figures of Indo Farm Equipment Limited are based on Restated financial statements for the year ended March 31, 2023.*
(ii) *Current Market Price (CMP) is the closing price of peer group scripts as on September 25, 2023.*
(iii) *The figures for the peer group are based on the consolidated audited financials for the year ended March 31, 2023.*
(iv) *The Company had bonus shares in the ratio of 1:1 on August 22, 2023. Net Asset Value after considering this bonus Issue is ₹ 77.38/- per share.*

8) Past Transfer(s) / Allotment(s)

There has been no issuance of Equity Shares or convertible securities, (excluding the shares issued under issuance of bonus shares), during the 18 months preceding the date of this Draft 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-Offer capital before such transaction(s)), in a single transaction or multiple transactions.

There have been no secondary sales / acquisitions of Equity Shares or any convertible securities, excluding the shares acquired / sold via gift deed, (where promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) equivalent to or exceeding 5% of the fully diluted paid-up share capital of the Company(calculated based on the pre-Offer capital before such transaction(s)), whether in a single transaction or a group of transactions during the 18 months preceding the date of the this Draft Red Herring Prospectus.

Further we had not undertaken any primary / new issuance of Equity Shares or any convertible securities during the period of preceding three years from the date of this Draft Red Herring Prospectus except for issuance of equity shares on bonus issue as disclosed in the section entitled "Capital Structure" on page no. 65 of this Draft Red Herring Prospectus and there have been no secondary sales / acquisitions of Equity Shares or any convertible securities (where promoter / promoter group entities or shareholder(s) selling shares through offer for sale in IPO or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) during the period of preceding 3 years from the date of this Draft Red Herring Prospectus, excluding the shares acquired / sold via gift deed.

Weighted average cost of acquisition ("WACA"), IPO Floor Price and Cap Price

Since there are no such transaction to report to under (a), (b) and (c) above, comparison of Weighted Average Cost of Acquisition (WACA) with IPO Floor Price & Cap Price is not possible.

Past Transactions	**WACA**	**IPO Floor Price – ₹ [●]**	**IPO Cap Price– ₹ [●]**
WACA of Primary issuance*	Nil	NA	NA
WACA of Secondary transactions**	Nil	NA	NA

**Excluding the shares issued under issuance of bonus shares*
*** Excluding the shares acquired / sold, via gift deed.*

9) Peer Group Comparison of Accounting Ratios:

Peer Group	**CMP**	**EPS**	**PE**	**RONW (%)**	**EV/ EBIDTA**	**NAV per share(₹)**	**Face Value (₹)**
Indo Farm Equipment Limited	[●]*	4.14	[●]*	5.36%	[●]	77.38	10.00
Peer Group **							
Escorts Kubota Limited	3,233.75	58.85	54.95	7.78%	35.62	620.19	10.00
Action Construction Equipment Limited	673.05	14.41	46.71	19.37%	30.53	77.27	2.00

** Offer Price per Equity Share will be determined on conclusion of the Book Building Process*
***Source:* www.nseindia.com.

Notes:

(v) *The figures of Indo Farm Equipment Limited are based on restated financial statements for the year ended March 31, 2023.*
(vi) *Current Market Price (CMP) is the closing price of peer group scripts as on September 25, 2023*
(vii) *The figures for the peer group are based on the Consolidated Audited Financials for the year ended March 31, 2023.*
(viii) *EV (Enterprise Value) has been calculated as Market Capitalization (+) Debt (-) Cash & Cash Equivalents.*
(ix) *The Company had issued bonus share in the ratio of 1:1 on August 22,2023. Net Asset Value of rs. 77.38 is after considering effect of bonus.*

10) The Company in consultation with the Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Red Herring Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the face value i.e. ₹ [●] per share.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, IT's SUBSIDIARY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA.

To,
The Board of Directors
Indo Farm Equipment Limited
SCO, 859 NAC, Kalka Road Manimajra,
Chandigarh - 160101, India

Proposed Initial Public Offer of Equity Shares ("IPO") of Indo Farm Equipment Limited (the "Issuer"/ "Company").

1. This report is issued in accordance with the terms of our engagement letter dated August 25, 2023

2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021, hereinafter referred to as the Direct & Indirect Taxes has been prepared by the management of the Company in connection with the proposed offer.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on September 18, 2023 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with the Standards on Auditing, the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)" and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, (the "ICDR Regulations") and the Companies Act 2013 ("Act"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders of the Company in accordance with Indian Income Tax Regulations.

6. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the Regulations in connection with the offering.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

The 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 Issue.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation. We will not be liable to any other person in respect of this Statement.

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this report, to the Company and its shareholders in accordance with the Indian Income Tax Regulations. Considering the matter referred to in point no. 8 above, we are unable to express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
- The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges and Registrar of Companies, Chandigarh. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

For Deepak Jindal & Co.
Chartered Accountants
Firm Registration Number: 023023N

Onkar Singh
Partner
Membership Number: 514746
UDIN: 23514746BGWJTW3909

Place: Ghaziabad
Date: September 19, 2023

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, IT's SUBSIDIARY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA.

a) SPECIAL TAX BENEFITS TO THE COMPANY

a) Direct Tax Laws

The Issuer Company ("Indo Farm Equipment Limited") is not entitled to any special Direct Tax benefits under the Direct Tax Laws, as applicable in India.

b) Indirect Tax Laws

- The Company is availing EPCG (Export Promotion Capital Goods) scheme benefits of basic duty exemption in terms of Foreign Trade Policy and complying conditions as per applicable provisions.

- The Company is claiming rebate of taxes/duties on inputs under Remission of Duties and Taxes on Exported Products (RoDTEP) scheme at the applicable rates.

- The Company is claiming duty drawback expressed as a percentage of FOB value or the rate per unit quantity of the export goods, as the case maybe.

b) SPECIAL TAX BENEFITS TO THE SUBSIDIARY

The Subsidiary Company ("Barota Finance Limited") is not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as applicable in India.

c) SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Issuer Company are not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as applicable.

Note:

1) These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

2) The special tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3) The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   - the Company or its shareholders will continue to obtain these benefits in future;
   - the conditions prescribed for availing the benefits have been/ would be met with; and
   - The revenue authorities/courts will concur with the view expressed herein.

4) The above views are based on the existing provisions of laws which are subject to change from time to time.

SECTION VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information pertaining to farm equipment, Tractor sector, and mobile crane sector in this section has been obtained or derived from a report titled "Agriculture Equipment & Crane Industry" dated September 27, 2023 prepared by B2K Analytics Private Limited. Neither the Company not the BRLM or any other person connected with the Offer has independently verified this Information, their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. B2K has taken due care and caution in preparing this Report based on the information obtained by B2K from sources which it considers reliable (Data). However, B2K does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest/disinvest in any company covered in the Report and no part of this Report should be construed as on expert advice or investment advice or any form of investment banking within the meaning of any law or regulations. B2K especially states that it has no financial liability whatsoever to the subscribers/ users/transmitters/distributors of this Report. Without limiting the generality ofthe foregoing, nothing in the Report is to be construed as B2K providing or intending to provide any services in jurisdictions where B2K does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. No part of this Report may be published / reproduced in any form without B2K prior written approval.

Secondly, data pertaining to the NBFC sector is derived from publically available information, data and statistics and has been derived from various government publications and industry sources. Industry sources generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Information" and related notes beginning on page nos. 24 and 192 of this Draft Red Herring Prospectus.

Macroeconomic Scenario

India is ranked fifth in the world in terms of nominal gross domestic product ("GDP") for Fiscal 2022 and is the third largest economy in the world in terms of purchasing power parity ("PPP"). India is expected to become an approximately US$ 5 trillion economy by Fiscal 2026 and the third largest economy by Fiscal 2030 surpassing Germany and Japan.

GDP at current prices (In US$ trillion) and GDP ranking of key global economies (calendar year ("CY")):

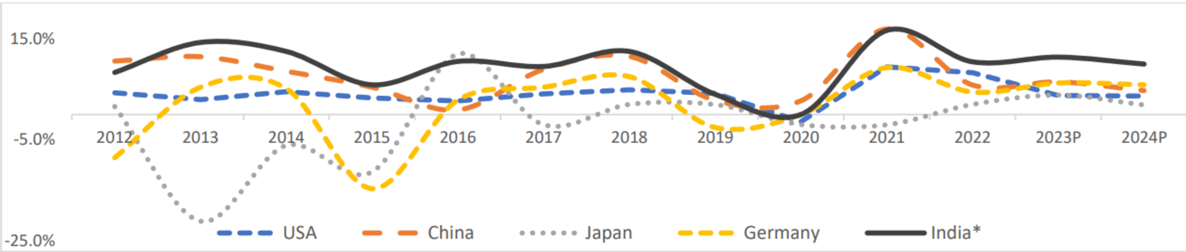
Country	Rank in GDP (CY 2021)	Rank in GDP (PPP)	CY 2010	% Share	CY 2015	% Share	CY 2021	% Share	CY 2022	% Share	CY 2024P	CAGR (2010-2021)	CAGR (2021-2024P)
USA	1	2	15	22.5%	18.2	24.2%	23.3	24.1%	25.4	25.1%	27.4	4.1%	5.6%
China	2	1	6.1	9.2%	11.1	14.8%	17.7	18.3%	18.8	18.6%	21.1	10.2%	6.0%
Japan	3	4	5.7	8.6%	4.9	5.9%	4.9	5.1%	5.0	5.0%	5.3	-1.4%	2.7%
Germany	4	5	3.4	5.1%	3.7	4.5%	4.3	4.5%	4.5	4.5%	5.1	2.2%	5.9%
India	**5**	**3**	**0.9**	**1.4%**	**1.6**	**2.3%**	**3.0**	**3.1%**	**3.4**	**3.4%**	**4.2**	**11.6%**	**11.9%**
UK	6	10	2.5	3.8%	2.6	3.9%	2.9	3.0%	3.2	3.2%	3.4	1.4%	5.5%
Brazil	12	8	2.2	3.3%	1.8	2.4%	1.6	1.7%	1.8	1.8%	2	-2.9%	7.7%
Russia	11	6	1.5	2.3%	1.4	1.9%	1.8	1.9%	1.9	1.9%	1.9	1.7%	1.8%
World	-	-	66.6	-	75.2	-	96.5	-	101.0	-	111.9	3.4%	5.1%

(Source: World Bank Data, IMF, RBI)

India's nominal GDP has grown at a compounded annual growth rate ("CAGR") of 11.7% between CY 2010 and CY 2021 and is expected to continue the trend by growing at a CAGR of 11.9% between CY 2021 and CY 2024.From Fiscal 2010 until Fiscal 2022, the Indian economy's growth rate has been more than twice as that of the world economy and it is expected to sustain this growth momentum in the long term. India's nominal GDP grew by 16.7% in Fiscal 2022 followed by a 10.4% growth in Fiscal 2023 and is expected to grow further and reach US$ 4.2 trillion by Fiscal 2025. Between Fiscal 2022 and Fiscal 2025, India's real GDP is expected to grow at a CAGR of 6.5%, which compares favorably to the world average (2.7%) and with other major economies, including China (4.0%), UK (1.4%), Japan (1.4%), Germany (0.6%) and the USA (1.1%) for the period between CY 2021 and CY 2024. It is also expected that the growth trajectory of the Indian economy will enable India to be among the top 3 global economies by Fiscal 2030.

Several factors are likely to contribute to its economic growth in the long run. These include favorable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, the growing young and working population, information technology ("IT") revolution, increasing penetration of mobile and internet infrastructure, government policies, increasing aspirations and affordability.

Nominal GDP growth (%) – US, China, Japan, Germany, India (CY):

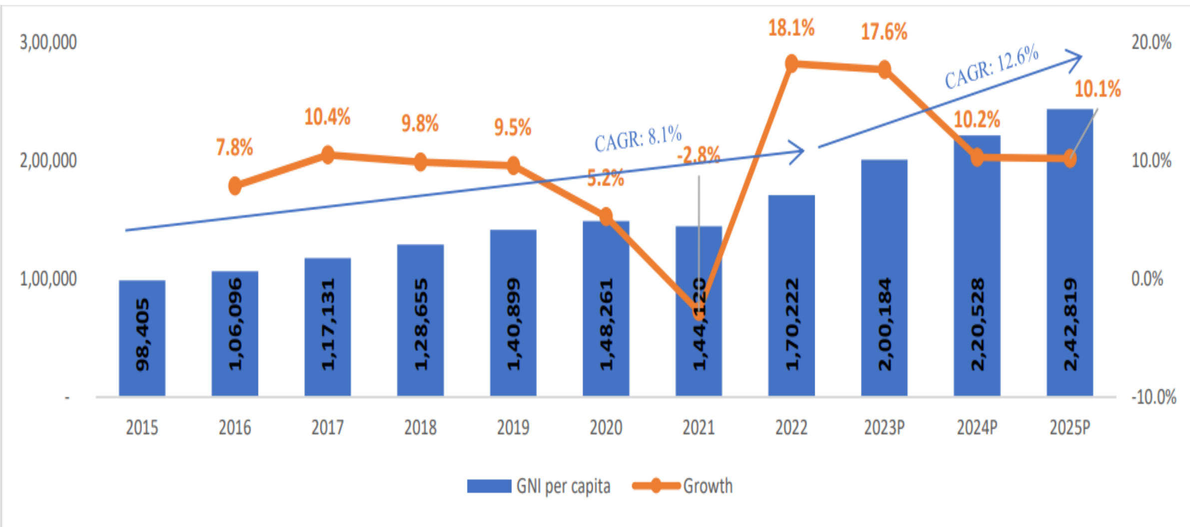


Nominal GDP Growth (CY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023P	2024P
USA	4.3%	3.0%	4.5%	3.3%	2.7%	4.1%	4.9%	4.2%	-1.4%	9.4%	8.3%	3.8%	3.6%
China	10.6%	11.5%	8.6%	5.4%	0.9%	8.9%	11.5%	2.8%	2.7%	16.9%	5.9%	6.5%	4.7%
Japan	1.6%	-21.2%	-6.1%	-11.4%	12.0%	-2.0%	2.0%	2.0%	-2.0%	-2.0%	2.0%	3.8%	1.9%
Germany	-8.6%	5.4%	5.1%	-14.7%	2.9%	5.4%	7.5%	-2.6%	0.0%	9.3%	4.4%	6.3%	5.9%
India*	**8.3%**	**14.3%**	**12.5%**	**5.9%**	**10.5%**	**9.5%**	**12.5%**	**4.0%**	**0.0%**	**16.7%**	**10.4%**	**11.4%**	**10.0%**

(Source: India Data from RBI, other countries data from World Bank, Future growth rate from OECD Data)

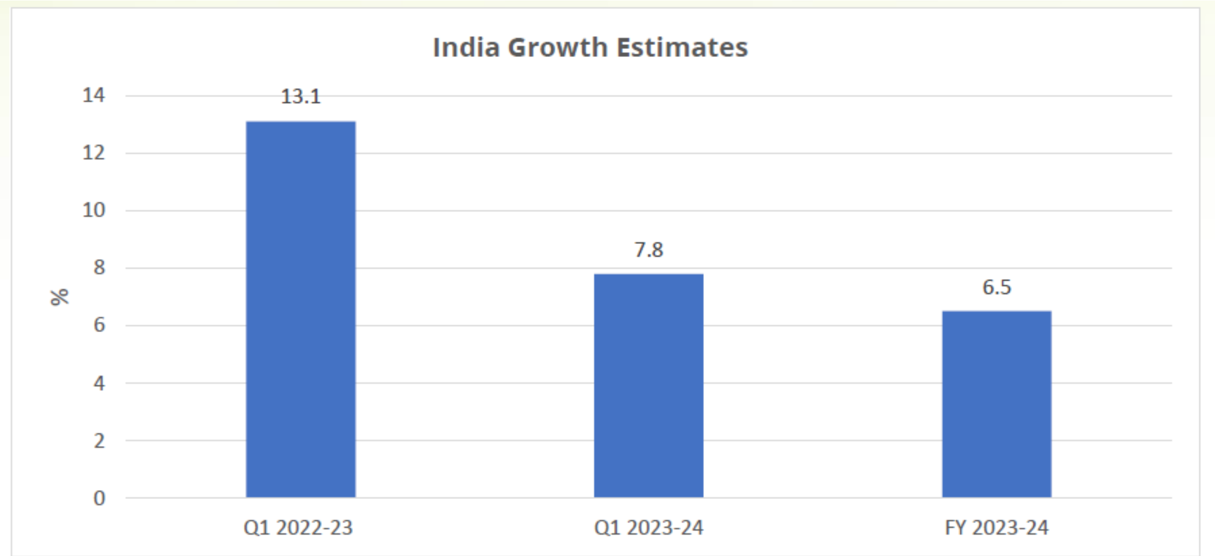
Per Capita Income Growth

Income growth, presented by Gross National Income ("GNI") is defined as the total amount of money earned by a country's businesses and individuals. While India's gross national income grew at a CAGR of 8.1% for the period Fiscal 2015 to Fiscal 2022, GNI per capita for countries such as USA, China, Japan, Germany and UK grew at a CAGR of 3.5%, 6.9%, -0.6%, 0.9% and 0.0% between CY 2014 and CY 2021. India's GNI is expected to continue the growth momentum with a CAGR of 12.6% from Fiscal 2022 to Fiscal 2025. Growing GNI is one of the strongest drivers for higher private consumption trends. The GNI per capita for the top five economies of the world for CY 2021 was USA (US$ 70,930), China (US$ 11,880), Japan (US$ 42,650), Germany (US$ 51,200) and the UK (US$ 44,480) as compared to India's GNI of US$ 2,128 (₹ 170,222) for a similar period of Fiscal 2022.



(Source: RBI, IMF projections)

Indian Economy Growth Estimates



(Source: Government of India, RBI)

The impact of uneven monsoon and that of El Nino weighs on the overall growth as well as agricultural growth. The latest government estimates reveal 3.5% growth in Agriculture, Forestry & Fishing during Q1 (April-June) 2023-24 against 2.4% in Q1 2022-23. The hottest and dry August, since 1901, experienced in India, also has a bearing on agricultural outlook, food prices and overall growth. These factors are also expected to impact the market for agricultural equipment industry to a certain extent in FY 2023-24.

The latest estimates by the Government of India project real GDP growth in Q1 2023-24 to be at Rs 40.37 lakh crore, recording a growth of 7.8% as compared to 13.1% in Q1 2022-23. The RBI projects real GDP growth for 2023-24 at 6.5%. The growth of services sector by an impressive 10.3% Q1 2022-23 lends further buoyancy to the economy. The overall growth is driven by the government's continuing stress on capital expenditure resulting in robust private consumption and gross fixed capital formation. Capital expenditure has encouraged private investments in the country during the quarter and the government is keen on not cutting down on capex. Hence, though inflation suggests downside risks to growth, government's stress on capital expenditure is expected to trigger more investments and help sustain the growth trajectory.

For June 2023, the Quick Estimates of Index of Industrial Production (IIP) stood at 143.4 recording a y-o-y growth of 3.7%. The Indices for Mining, Manufacturing and Electricity sectors for June 2023 recorded y-o-y growth rates of 7.6%, 3.1% and 4.2% respectively. Firmed up crude oil prices prompted by production cuts are likely to add to industrial production costs. However, domestic economic activity has stayed buoyant on back of domestic demand though external demand stays weak.

The effect of global demand, volatility in global financial markets, geopolitical and geo-economic tensions are also expected to weigh upon India's domestic growth outlook.

Global Farm Equipment Industry

The global agriculture equipment market is projected to grow from USD 180.81 billion in 2023 to USD 296.61 billion by 2030, at a CAGR of 7.3% during the forecast period. *(Source: B2K Analytics Industry Report)*

The agriculture industry is growing rapidly with the rise in population, thereby leading to high demand for food. With the ever-increasing demand for food production, agricultural machinery has become an essential part of the farming process. This has resulted in rapid growth of the Agriculture Equipment Market around the world. Farm equipment is designed to improve efficiency of farming operations and achieve higher yields.

The products comprising the Agriculture Equipment industry include the following:

Tractors	•Based on Horsepower •based on Type
Plowing and Cultivating Machinery	•Plows •Harrows •Cultivators and Tillers •Other PLowing and cultivating machinery
Planting Machinery	•Seed Drills •Planters •Spreaders •Other Planting Machinery
Harvesting Machinery	•Combine Harvesters - Threshers •Forage Harvesters •Other Harvesting Machinery
Haying and Forage Machinery	•Mower Conditioners •Balers •Other Haying and Forage Machinery
Irrigation Machinery	•Sprinkler Irrigation •Drip Irrigation •Other Irrigation Machinery

Amongst Agricultural Equipment, the Tractor segment accounted for the largest revenue share of over 30% in 2021. This is clearly as a result of the increasing global food requirements, which has made tractors a prerequisite for increasing productivity in the agriculture industry.

The promotion of farm mechanization and the increasing adoption of precision farming in regions such as Asia Pacific and Latin America have also accelerated the growth. The emergence of electric tractors is anticipated to be a significant growth prospect for market participants. The growth is ascribed to the cost-effectiveness coupled with electric tractors' eco-friendly and high-efficiency attributes.

One of the key market drivers for the Agri Equipment industry is the increasing rate of mechanization in developing countries. Developing nations still have a considerably low penetration level. For example, China, in 2020 had only 22 million tractor units despite the much larger population engaged in agriculture. Hence, the farm mechanization holds a lot of potential in such markets.

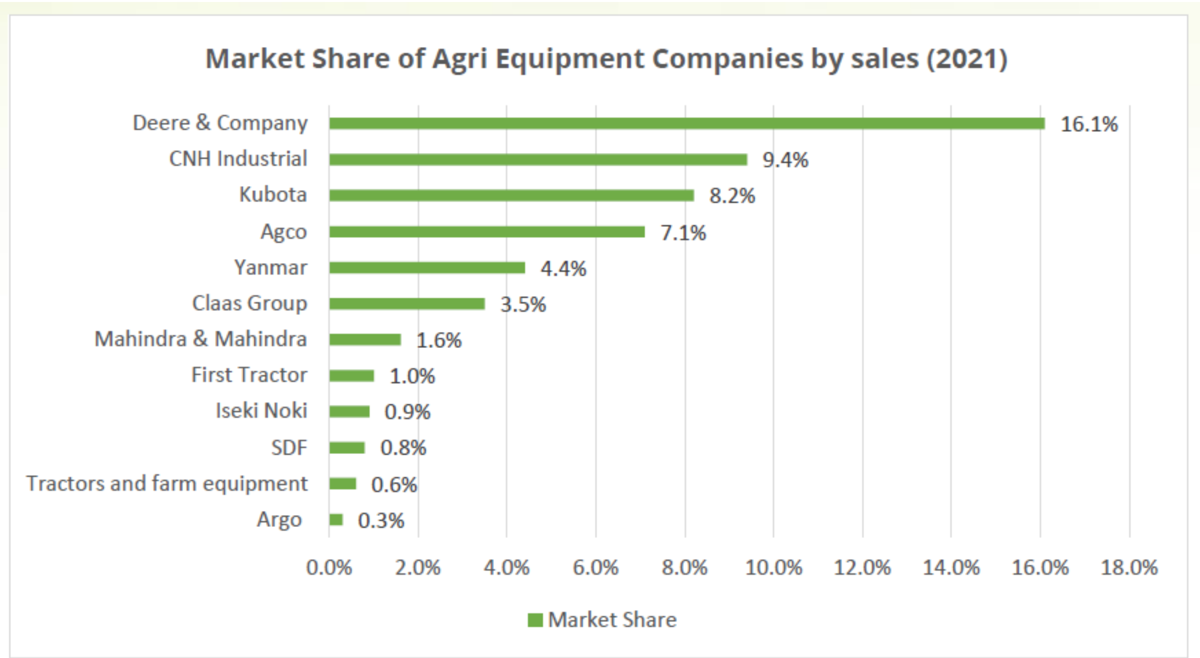
Among the global markets, the Asia Pacific market has the highest revenue share of nearly 37.5% as of 2022. The Asia Pacific market is expected to grow at a higher rate owing to the economic growth and stability of China, India and other Agro- based countries within the region. Increased GDP, rising per capita income, inclination towards mechanization and government initiatives for promotion of agriculture equipment has created more opportunities growth of Agri equipment in these regions.

China is the largest global market as a result of tremendous opportunities for agriculture equipment manufacturers.

A case in point is that the government of India is providing subsidies and other benefits to the farmers to promote mechanization. For instance, the Government of India decided to aid the farmers and provide a 50% to 80% subsidy for the procurement of agriculture equipment.

As a result, the Agri equipment manufacturers are further trying to bring in more innovative products that are more suitable for the market of India, South Korea, Taiwan and other countries within the region.

China, USA, Netherlands, Italy and Vietnam were among the top players of the market in 2022, where China acquired the largest market share of 60.9% with a shipment value of 16.7 million USD in 2022 China also offered the product above the average market price, but remained at the leadership position indicating the trust it holds in the Agriculture Equipment Market.



Source: https://www.statista.com/statistics/1344844/global-market-share-of-agricultural-machinery-manufacturers/

Key Market Drivers:

1. ***Increasing demand for food:***

   The population of the world has been rising consistently and there is increasing pressure to produce more food. In a report released in 2019, the United Nations Department of Economic and Social Affairs predicted that the world's population would increase to 8.5 billion by 2030 and 9.7 billion by 2050 *(Source: B2K Analytics Industry Report)*. More than 820 million people were undernourished in 2018, according to data from the Food and Agriculture Organisation of the United Nations (FAO). This puts pressure on the agriculture sector to produce enough food for the increasing population. This need for higher efficiency in the food producing sector has led to greater demand of tools and equipment (farm mechanization). Farm mechanization refers to development and use of machines that can take the place of human and animal power in agricultural processes. As a result, the industry is seeing a significant amount of innovation and growth, with companies developing new and more efficient machines that can improve crop yields and reduce labor costs.

2. ***Need for sustainable farming practices:***

   Sustainable farming practices have gained momentum due to growing environmental awareness. Equipment designed to reduce soil erosion, minimize chemical usage and improve energy efficiency is becoming more important to farmers and industry. By adopting sustainable practices, farmers will reduce their reliance on nonrenewable energy, reduce chemical use and save scarce resources. Keeping the land healthy and replenished can go a long way when considering the rising population and demand for food.

3. ***Government Incentives:***

   The subsidies provided by the governments of many countries help to ensure enough food production, lower the inflation rate for food commodities, protect farmer incomes, and strengthen the agricultural industry. Developing countries like India offer a variety of subsidies, debt waiver programs, and other such services to increase the production. For instance, the Government of India decided to aid the farmers and provide a 50% to 80% subsidy for the procurement of agriculture equipment.

4. ***Ability of market players to bring in new innovative technology and help in precision farming:***

The use of technology such as Robotic systems and Global Positioning Systems (GPS) in tractors and harvesters which has led to use of self-propelled machinery address the issues of shortage of labour / rising labour costs. Moreover, innovative technology leading to increased fuel efficiency which has a direct impact on operational profitability will become a major factor for choice of equipment going forward.
The precision agriculture market is estimated to touch USD 15.6 billion by 2030 *(Source: B2K Analytics Industry Report).*

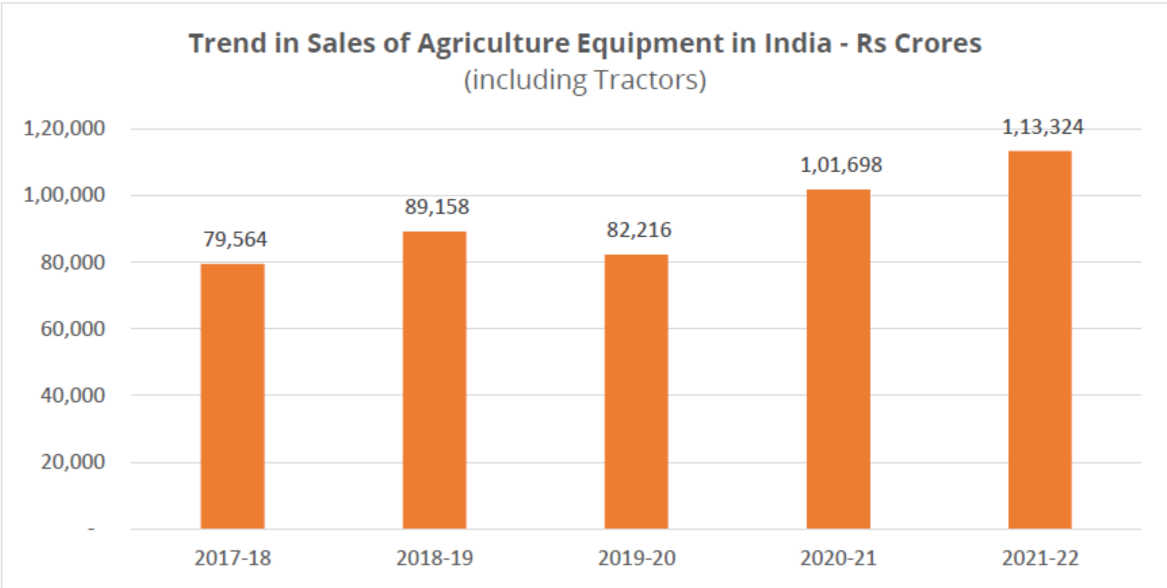
The Increasing pressure to produce food sustainably for a rapidly growing population is one of the greatest challenges facing humanity today. Precision Agriculture leverages advanced digital technologies and will play a significant role in the third modern farming revolution. It effectively minimizes inputs, labor, and time sustainably, maximizes productivity and profitability, ensures sustainability, and reduces environmental impact.

Indian Farm Equipment Market

Farm agri equipment is the machines, tools, and devices that are used to provide aid in farming and other agricultural activities. These tools are used in farms for completing agricultural tasks in a faster, more efficient, and convenient manner. They can be used for agricultural activities of any scale and are available in a variety of sizes and price points.

Market Size:

- The India Agricultural Machinery Market size stands at around USD 15.42 billion as in 2023. It is expected to grow to USD 23.18 billion by 2028 at a CAGR of 8.50% *(Source: B2K Analytics Industry Report).*

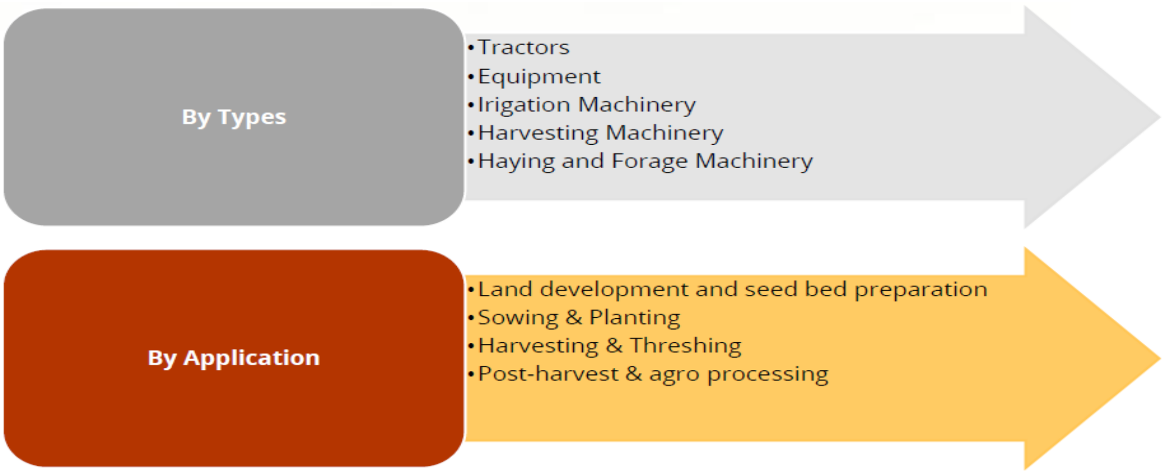


(Source: CMIE, B2K Analytics Industry Report)

The Indian agricultural equipment sector has shown good growth historically and the same is expected to continue in coming years also. The growth will be led by tractors and will be supported by various initiatives of Govt. of India.

Market Segmentation:

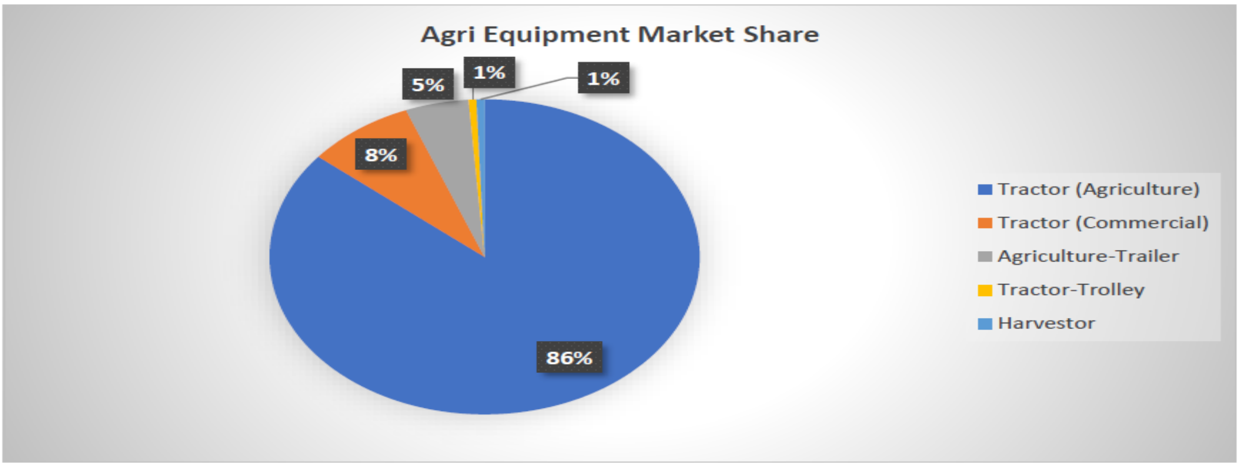
The India Agricultural Machinery Market can be segmented as per below:



Different types of agricultural machinery are as under:

Agricultural Machinery Market Share

The agricultural machinery market is dominated by tractors. As per the vehicle registration data available, agricultural tractors occupies 86% of market share. This is followed by commercial tractors 8% and then by agricultural trailers 5%. Tractor trolley and harvester occupies a market share of 1% each.

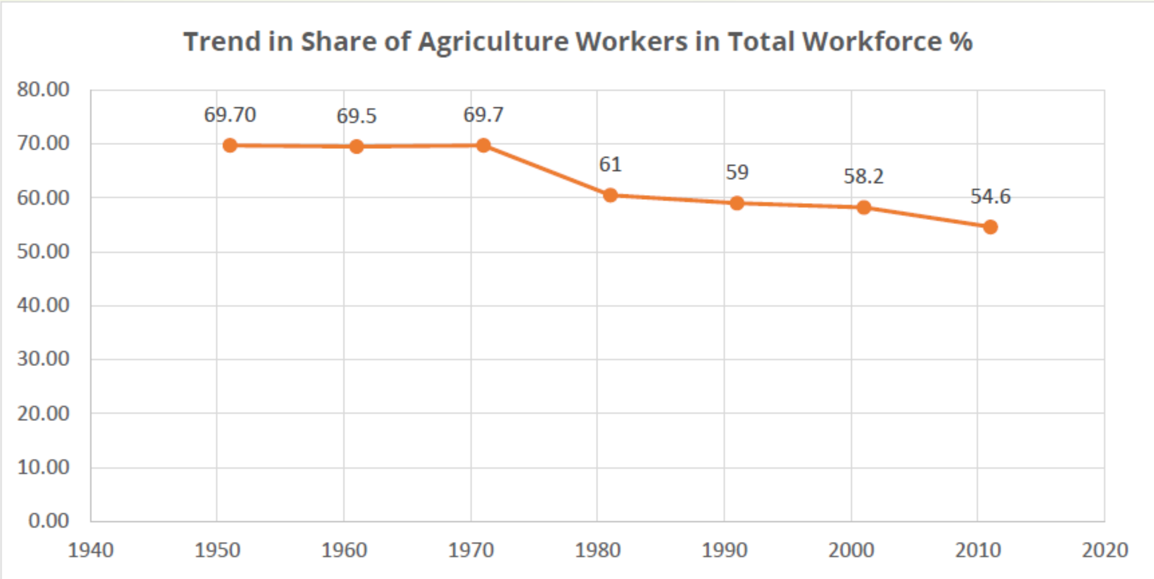


Note: The above data has been compiled only for Agri equipment which needs registration with transport offices. Agri equipment which does not require registration have not been included in the above representation.
(Source: CMIE, B2K Analytics Industry Report)

Demand Drivers:

- **Shortage of Labour:**

In India, agriculture has experienced a significant decline in animate power (animal and human) utilization. The share of animate power in agriculture is estimated to decrease from 59.1% in 1991 to 25.7% by 205025. The shortage of agricultural labour has resulted in the adoption of mechanized equipment among farmers to increase agriculture efficiency and crop productivity. Thus, the demand for agricultural equipment is increasing. Hence, the rising labour shortage is driving the growth of the Indian agriculture equipment market.



(Source: Registrar General of India, National Informatics Centre, B2K Analytics Industry Report)

- ***Increased availability of credit:***

  Increased availability of credit through banks and microfinance institutions, to invest in agricultural equipment has also resulted in market growth.

- ***Government Incentives and Policies:***

  Subsidies, reduced import taxes on agricultural gear and simple financing plans, are also driving the demand for farm equipment in India.

- ***Increase in Farmers Income:***

  The income levels of rural households have been steadily rising over the past few years as a result of growth in India's GDP and growth in agricultural sector. With rising income the farmers are able to increase their spending on agricultural machinery.

- ***Low penetration of farm machinery:***

  Penetration of agri equipment continues to be still low despite recent good growth. Total farm mechanization in India has been lower at 40-45% compared to other countries such as USA (95%), Brazil (75%) and China (57%). Hence, there is good scope for further growth.

Penetration of Mechanization across Farm Operations

S.No.	Operation	Penetration of Mechanization (%)
1	Seed Bed Preparation and Soil working	40
2	Seeding and Planting	29
3	Plant Protection	34
4	Harvesting and Threshing	60-70 for wheat and rice but less than 5% for others

(Source: National Council of Applied Economic Research (NCAER))

- **Emergence of Contract Farming**

  The emergence of contract farming is also expected to give a strong boost to the agricultural equipment market in India. Contract farming enables farmers to get the benefit of technology, training and financing with the contractor's support. This is expected to facilitate the adoption of mechanized farming practices.

- **Adoption of precision farming**

  Adoption of precision farming techniques in India is again expected to increase the demand for Agri equipment. The adoption of precision farming methods is still at a low level in India compared to the developed countries.

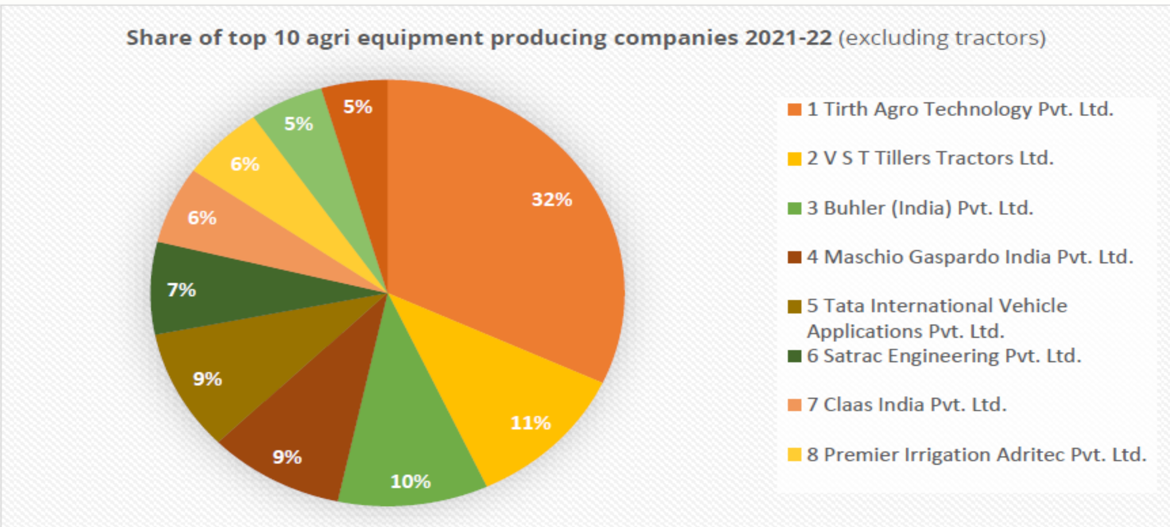
- **Competitive Landscapes / Major Players / Market Share**

  Level of Competition: The Indian agricultural machinery market (excluding tractors) is consolidated. Top players occupy maximum share of the market.

Major Players

Tirth Agro (Shaktiman), VST Tillers, Buhler India, Tata International Vehicle Applications etc. are some of the major players in the Indian agri equipment market (excluding tractors).

Below is the market share of top 10 players in Indian agri equipment market (excluding tractors):



Note: The above representation is excluding tractors. Tractors constitute very large segment of Agri equipment industry and hence has been dealt separately in later parts of the report.
(Source: CMIE, B2K Analytics Industry Report)

Government Initiatives

One of the major drivers of the Indian agricultural machinery market includes favourable government policies.

Making India a Global Powerhouse on Farm Machinery Industry: National Council of Applied Economic Research (NCAER) released the report "Making India a Global Powerhouse on Farm Machinery Industry" in Feb, 2023.

- NCAER has analyzed the non-tractor farm machinery industry from both demand and supply side perspectives.
- The report has highlighted the challenges in the sector and has also recommended measures & reforms by benchmarking global practices.
- It has been emphasized in the report that India needs a vision for the next 15 years to convert itself into a production and export hub for non-tractor farm machinery.

SMAM Scheme: The Government of India launched a unique program called "Sub Mission on Agricultural Mechanization (SMAM)" in 2014–15 to increase farm mechanization across the nation.

- USD 554.9 million allocated: A total of INR 4556.93 crores (USD 554.9 million) in funds have been made available under the scheme to the States and other implementing institutions between 2014–15 and 2020–21.
- More than 27.5 thousand custom hiring institutions have been founded, and more than 13 lakh agricultural machines have been provided.
- The budget for SMAM increased from the prior year to INR 1050 crore (USD 127.7 million) for 2021–22.

Global Tractor Market

The global tractor market is projected to grow from USD 78.98 billion in 2023 to USD 104.69 billion by 2030, at a CAGR of 5.80% during the forecast period *(Source: B2K Analytics Industry Report)*.

Tractor has been one of the most essential machineries in mechanising the agriculture activities globally. The tractors are used from ploughing, preparing seed bed for plantation to harvesting. They can also be attached to other farm equipment for usage and therefore the demand of tractor has always been high. The reach of tractor is immense from the developed world to developing gradually.

Demand for Tractors

The tractor market along with other markets was severely impacted during the Covid-19 pandemic due to lockdowns and poor supply chains. The tractor sales went down in most countries such as 7.6% in United States, 4.9% in Europe, 11.5% in India, 6.2% in Russian Federation and 28.8% in Japan. The demand for tractors since 2020 saw a positive growth since economies reopened, supply chains being restored and pro-active government initiatives in various countries to increase farm mechanisation and technological innovations by companies.

The global Agri-tractor demand findings were at 3014 thousand units in 2022 and it is anticipated to reach nearly 5422.91 thousand units by 2032.

Other Key findings:

- The Asia Pacific region captured more than 67% of the revenue share in 2022, in terms of volume.
- By engine power, the less than 40 HP segment generated more than 63% of revenue share in 2022.
- By driveline type, the 2-wheel drive segment captured more than 80% of revenue share in 2022.
- By application, the irrigation segment is predicted to contribute to the maximum market share.
- By operations, the automatic tractor-vehicle segment is projected to hold the biggest market share.

Tractor Segmentation

The global tractor market is broadly segmented on the basis of horsepower, drive type and geography. The developed nations have demand for higher range in horsepower whereas the developing world has high demand for less than 40 HP. 2-wheel drive is more preferable than 4-wheel drive as it has a share of more than 75% of the market owing to high demand in countries such as India, China, African region etc.

Asia-Pacific region has been leading the global tractor market with a share of more than 69% in 2022. The growth is primarily led by countries like India and China followed by other countries of the region.

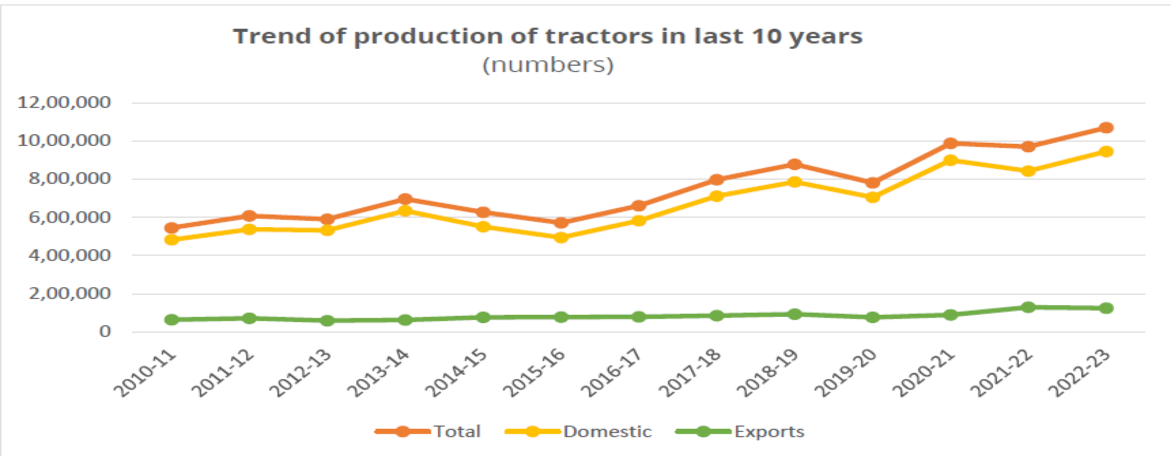
Major Players

The market in the tractor segment appears concentrated by big players with majority share belonging to them. The remaining share of the market is fragmented and highly competitive with small players. Some prominent players in the global agricultural tractor market includes Mahindra & Mahindra Ltd, Claas India Pvt Ltd, Yanmar Co. Ltd, Escorts Kubota Ltd, T A F E Motors & Tractors Ltd, C N H Industrial (India) Pvt Ltd, John Deere India Pvt Ltd, International Tractors (Sonalika) etc.

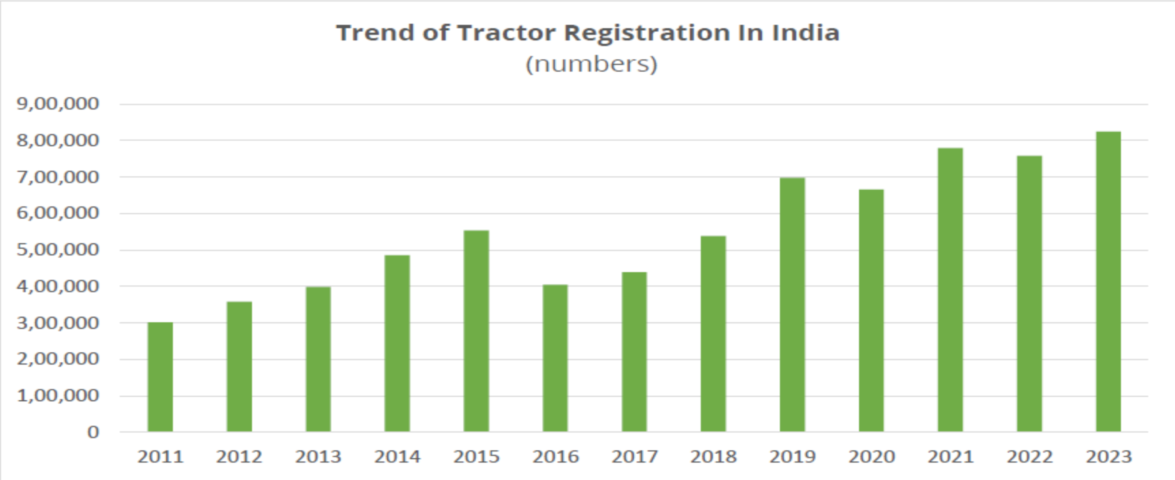
Indian Tractor Market

Market Size:

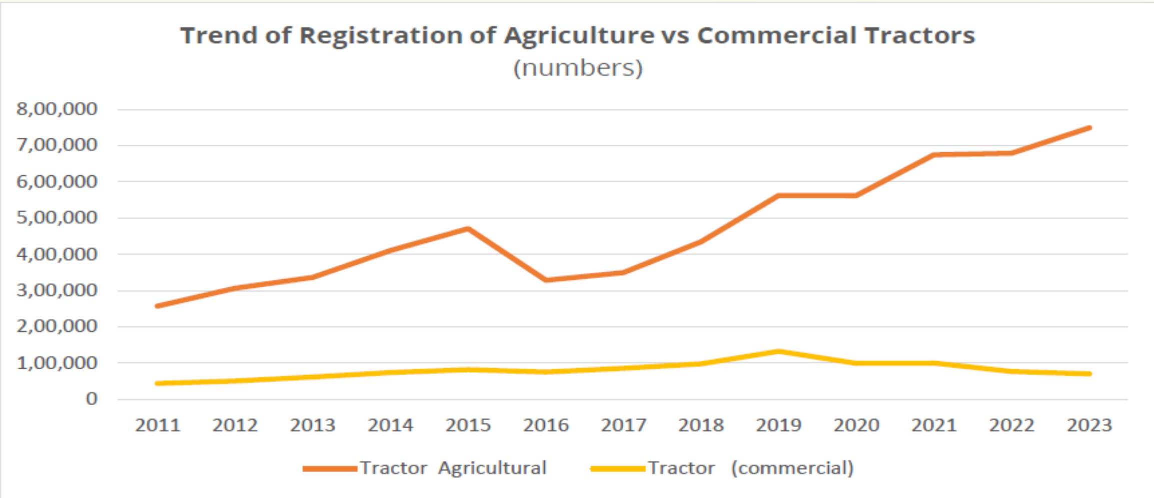
The India Tractor Market size was evaluated to be at USD 7.54 billion in 2020 and has been anticipated to reach USD 12.70 billion by 2030. The Indian tractor market has been growing over the years. Today India is one of the largest Tractor producing countries of the world. *(Source: B2K Analytics Industry Report)*



(Source: CMIE, B2K Analytics Industry Report)



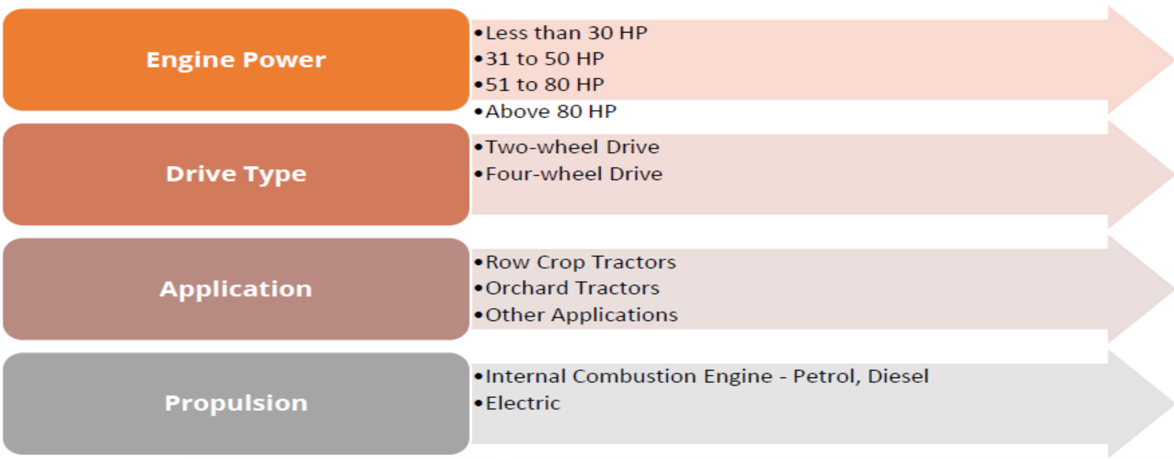
(Source: CMIE, B2K Analytics Industry Report)



(Source: CMIE, B2K Analytics Industry Report)

As per above figures, the Indian tractor market has shown impressive growth historically and the same is expected to continue in future years also. This growth will be fuelled by various initiatives of Govt. of India to boost agricultural productivity. Various demand drivers of tractor industry have been discussed separately in later sections of the report.

Tractor Market Segmentation:

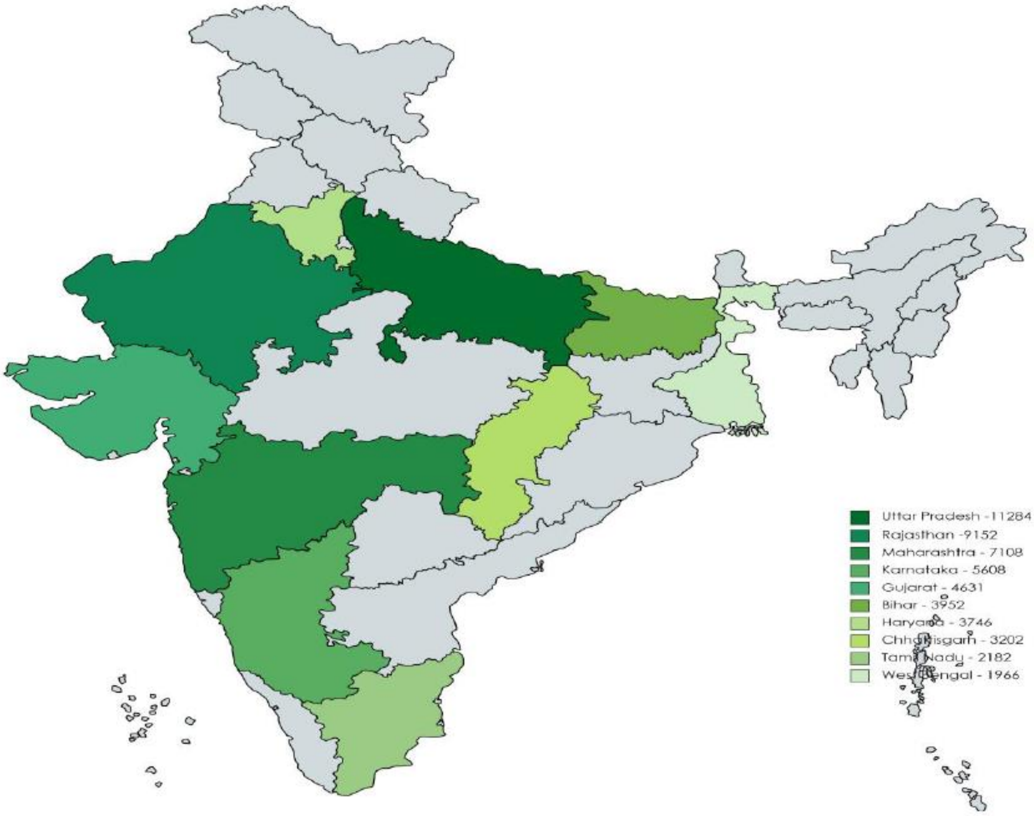


The tractor sales suggest that 80% of tractors sold are in the 31 to 50 HP segment. State Uttar Pradesh occupied the top position in sales with 17.4% of total tractors sold in the country.

State-wise Tractor Sales

The States which typically are market to majority of tractors manufactured in India are also the ones which have maximum area under cultivation. Top States with major share of sales of tractor are UP, Rajasthan, Madhya Pradesh, Maharashtra, Karnataka, Gujarat, Bihar, Haryana, Chhattisgarh, Haryana etc.

In UP, 75,817 units of tractors were sold in the period of January to July in 2022. The Brands which shared a good number of sales in the state included, Swaraj, Mahindra, Sonalika and Eicher. The northern part of India consisting of states such as UP, Rajasthan, Haryana, Madhya Pradesh, Bihar followed by few others like Punjab, Chhattisgarh, Jharkhand dominates the sales of tractor market in comparison to rest of other regions in the country.



Note: The numbers in the legend mark the sale of tractors in the States in July 2022.[33]
Source: Tractor Junction, Agriculture post, B2K Analytics

Demand Drivers:

The demand drivers of Indian tractor industry are more or less same as that of Agri equipment industry.

- **Shortage of Labour:**

In India, agriculture has experienced a significant decline in animate power (animal and human) utilization. The share of animate power in agriculture is estimated to decrease from 59.1% in 1991 to 25.7% by 2050. The shortage of agricultural labour has resulted in the adoption of mechanized equipment among farmers to increase agriculture efficiency and crop productivity. Thus, the demand for agricultural equipment like tractors is increasing in India.

- **Increased availability of credit**

  Increased availability of credit through banks and microfinance institutions has also resulted in the market growth. In India majority of the tractors are bought on credit.

- **Government Incentives and Policies**

  Govt. of India is actively formulating policies to increase the adoption of various types of farm machineries like tractors. Subsidies and reduced taxes on tractors as well as simple financing plans are driving the demand for tractors in India.

- **Increase in Farmers Income**

  The income levels of rural households have been steadily rising over the past few years as a result of growth in India's GDP and growth in agricultural sector. With rising income the farmers are able to increase their spending on agricultural machinery like tractors.

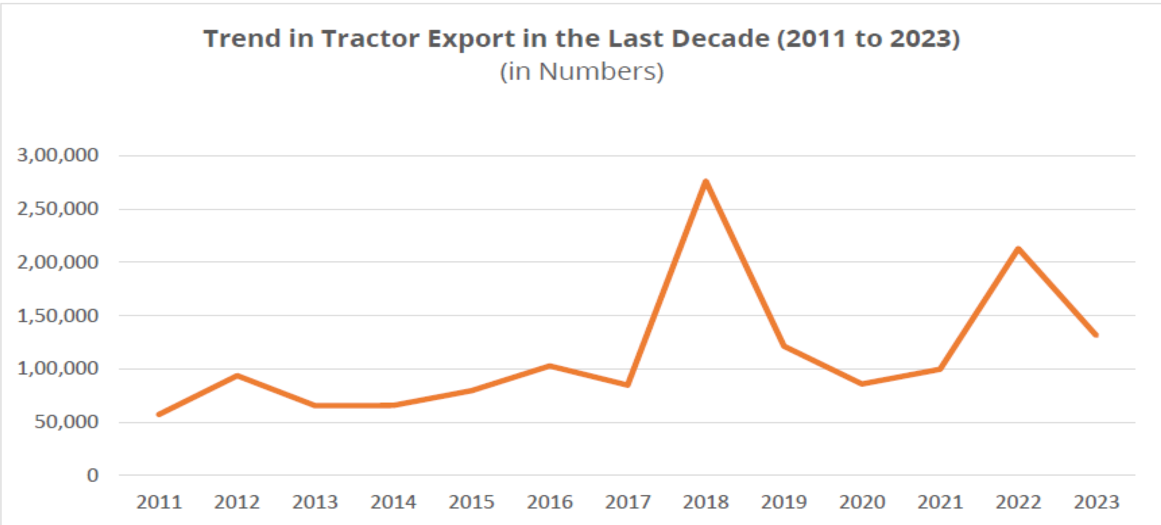
- **Low penetration of farm machinery**

  Penetration of Agri equipment continues to be still low despite recent good growth. Total farm mechanization in India has been lower at 40-45% compared to other countries such as USA (95%), Brazil (75%) and China (57%). Hence, there is good scope for further growth of tractor market in India. North India currently dominates the Indian tractor market.

Export Trend and Exporting Destinations

India is dominating as one among the top exporters of tractors in the world despite a low share of exports from the country. It produced a total of 1,071,310 tractors in FY23 and exported only 12.24% of the total production. The exports IN FY 23 dropped by ~3% on Y-O-Y basis. High base of last year is largely responsible for fall in exports as the FY22 saw a steep growth of 45% Y-O-Y.

However, the overall exports have increased in the last one decade with slumps in FY17, FY19 and FY20. The exports in FY17 declined due to weak demand in global markets while the exports in FY19 AND FY20 declined due to Covid - 19 pandemic. The increase in exports in FY23 over FY11 is 129%.

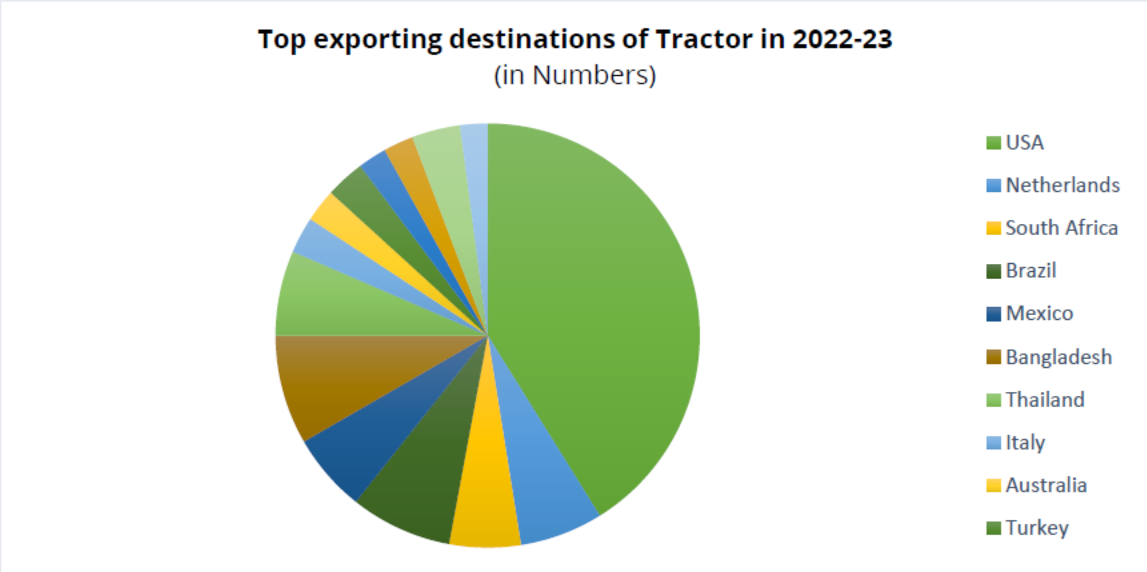


(Source: CMIE, B2K Analytics Industry Report)

Out of the total 131,170 tractors exported from India in FY23, USA, with a share of 28.92% stood at top exporting destination followed by Bangladesh (5.85%) and Brazil (5.45%).

Table: Countries with Prominent Share of Tractor Export in Last 3 years FY21 to FY23			
Country	**2021**	**2022**	**2023**
USA	15.01 %	13.55 %	28.92 %
Bangladesh	11.37 %	37.05 %	5.85 %
Brazil	3.44 %	2.98 %	5.45 %
Thailand	3.23 %	3.41 %	4.56 %
Netherland	1.51 %	1.41 %	4.46 %
Mexico	2.29 %	6.37 %	4.22 %
South Africa	2.96 %	1.90 %	3.82 %
Turkey	13.75 %	0.61 %	2.10 %

(Source: CMIE, B2K Analytics Industry Report)



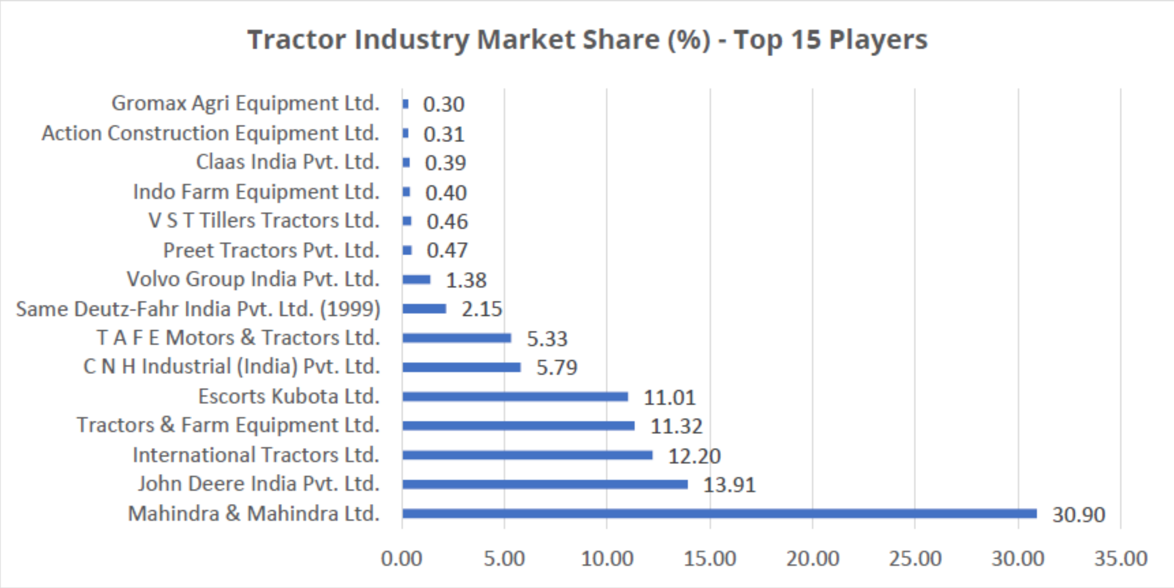
Competitive Landscapes / Major Players / Market Share

Level of Competition: The agricultural tractor market in India is consolidated and dominated by large global and domestic manufacturers. Top 5 players account for about 80% of the market share.

Major Players

Mahindra & Mahindra, John Deere, International Tractors (Sonalika), Tractors & Farm Equipment (TAFE), Escorts etc. are some of the major players of the industry.

Below is the market share of top 15 players in the Indian tractor market:



(Source: CMIE, B2K Analytics Industry Report)

Government Initiatives:

One of the major drivers of the Indian tractor market has been supportive government policies.

A number of govt. initiatives are in place for the Indian farmers to purchase tractors.

- **Subsidies:** Govt. of India provides subsidies for purchasing tractors below 18 HP. This subsidy is being provided to farmers individually or in groups with irrigated land between 2.4-3.2 hectares38.
- **Loans:** As per NABARD norms, any farmer with 8 acres of land can take a tractor loan to be paid over nine years with 12.5% interest over the principal amount.
- **Duty Exemption:** Exemption of excise duty for tractors less than 1800 cc of capacity is also provided.
- **Financing Terms:** The government has also reduced the minimum land holding required to avail loan facility from 10 acres to 4 acres. The credit period has also been increased from 7 to 9 years.

Recent Developments:

Sep 2023, CMERI develops e-tractor to meet small, marginal farmers' needs. To meet the requirements of farmers with small and marginal land holdings, the CSIR-CMERI (Central Mechanical Engineering Research Institute) has indigenously designed and developed a compact electric tractor named 'CSIR PRIMA ET11'. It can be charged conventionally at home in 7-8 hours.

Aug 2023, Mahindra & Mahindra (M&M) launches 7 lightweight tractors under OJA platform. This was launched in Cape Town, South Africa, in collaboration with Mitsubishi Mahindra Agriculture Machinery, Japan. These vehicles will be available in India soon.

Aug 2023, VST Tillers Tractors launched a new range of compact tractors. VST Tillers Tractors launched its series 9 range of compact tractors in six new models. The series 9 range of compact tractors, 18 HP upwards have been designed and developed at Hosur plant of the company.

June 2023, Mahindra & Mahindra (M&M) introduces Swaraj lightweight tractors. M&M introduced its first lightweight tractor Swaraj Target 630 in Mumbai on Friday. The model will be available at Rs 5.35 lakh ex-showroom. The lightweight compact tractor has been named 'Swaraj Target'.

Porter’s Five Forces Analysis (Tractor Industry):

Entry barriers

- Entry barriers in the industry is High due to high investment and maintenance cost
- The industry is highly consolidated with top 5 players having 80% market share
- Brand building for trust and loyalty

Bargaining power of buyers

- Buyers bargaining power is High since customers have many choices
- Large growth in demand expected due to low current penetration of farm machinery

Bargaining power of suppliers

- Suppliers bargaining power is moderate in this industry
- Sourcing high quality raw materials at reasonable costs is a challenge
- Requires skilled manpower for production

Threat of substitutes

- While substitution threat is low, product obsolescence is a threat
- AI powered, GPS enabled machinery has the potential to change the traditional tractor market

Level of Competition

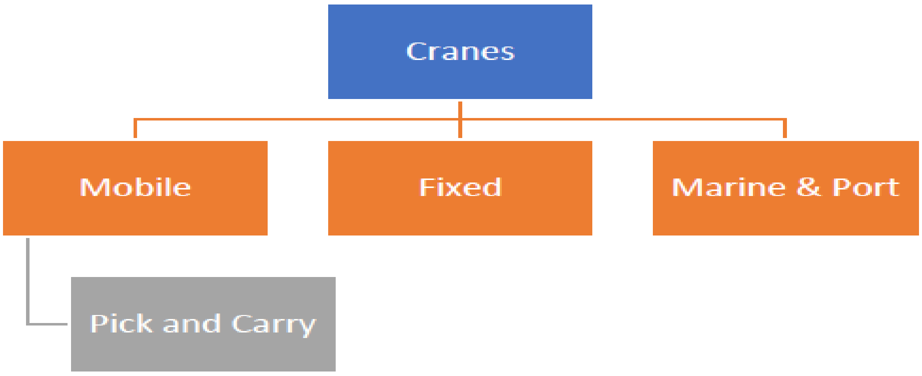
- Level of competition is very high
- Large players with deep pockets dominate the market
- Smaller players have to operate on regional territories where there are many small and unroganised players

Global and Indian Mobile Crane Market

Cranes are a type of construction machinery used for loading and unloading heavy materials, machines, and goods. They are equipped with cables, pulleys, hoists, and wire ropes and utilize electric motors and hydraulic systems to provide lifting capabilities. Cranes find extensive applications across the mining, construction, excavation, oil and gas and marine industries.

Mobile, fixed, marine and port are some of the commonly available types of cranes.

The overall types of cranes are as below:



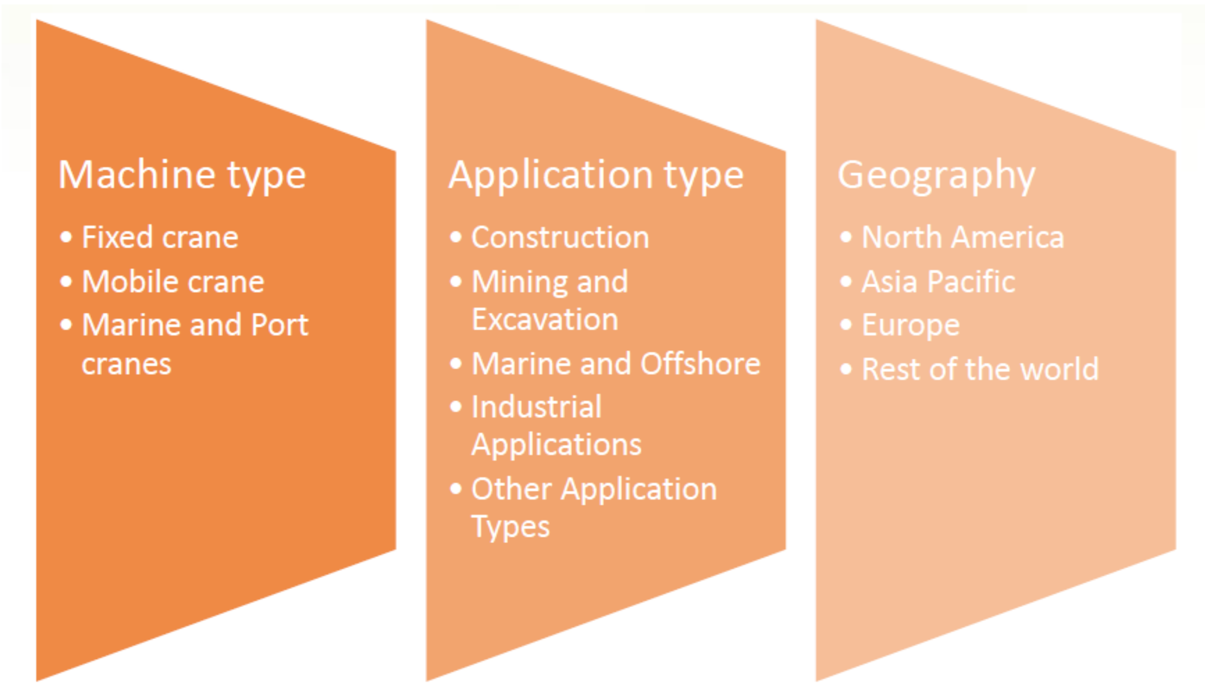
Mobile Cranes

Globally the mobile crane market size is anticipated to grow from USD 19.78 billion in 2023 to USD 27.29 billion by 2028, at a CAGR of 6.65% during the forecast period. *(Source: B2K Analytics Industry Report)*

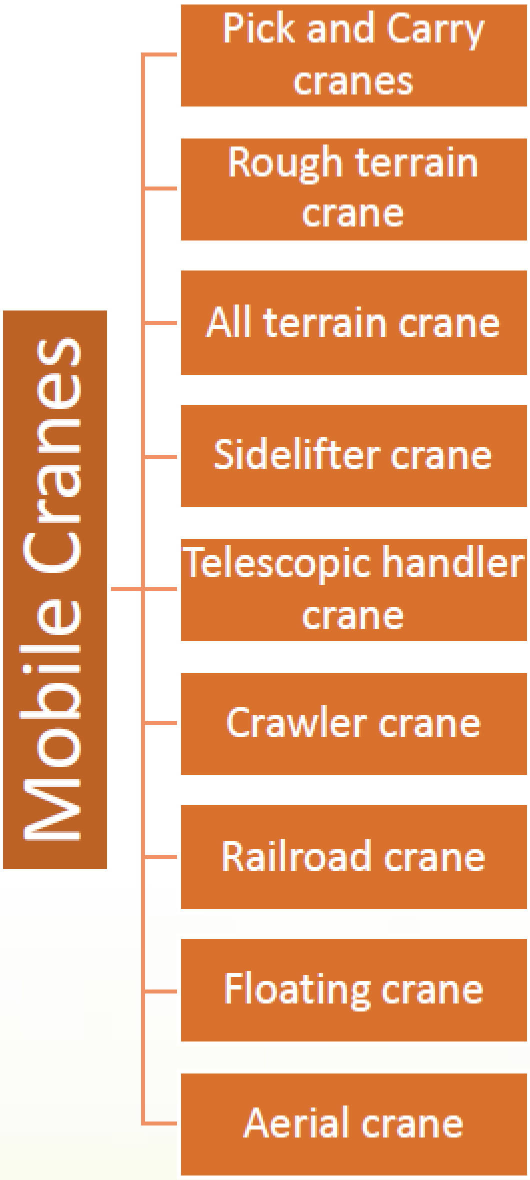
The growth in mobile crane market is projected to grow due to rising infrastructural developmental projects and high level investments by construction companies.

The market growth may further be augmented by inclusion an adoption of new technologies such as GPS tracking, fleet management and many more.

Mobile cranes Segmentation



Types of Mobile cranes



Pick and Carry Crane:

Pick and Carry crane is a type of mobile crane which is used for material handling and shifting and placing load from one point to another. It has extensive applications in the construction, oil and gas and renewable energy and road infrastructure sectors.

The efficiency of a pick and carry crane lies on the amount of load it can carry. Different technologies such as CAT and ZF determine the quality of a pick and carry crane.

Pick and carry crane is the most widely used material handling equipment in India.

The pick and carry crane market is expected to witness a huge growth and drive the market in the construction equipment sector in the next few years due to 3 main reasons:

- New innovative technology such as the advanced telescopic loader has made these equipments much more flexible in their application. These equipments are matching new areas of application like pre-engineered building and modular construction.
- Additional safety features like bigger cabins with higher visibility, ability to work on uneven sites etc. have made such cranes a preferred choice in modern construction
- Huge push for infrastructure development globally with new roads, airports, ports, commercial and residential projects, both from the respective governments and private sector is likely to increase demand for such cranes

Key demand drivers

Large infrastructure development especially in the developing countries

Many developing countries around the world are concentrating on constructing new cities, roads, airports, ports etc. It is expected that world over (particularly in the G20 countries), there will be nearly USD 3 trillion worth of annual investments in the above areas by 2030 as per current trends. Such large investments will spur the construction industry to grow leading to a correlated growth for the pick and carry crane industry.

Stringent regulations on safety and emissions

The tightening regulatory grip on both safety and emissions will play a large role in the choice of machinery used (including such cranes) going forward. The ability of manufacturers to adapt to the changing regulatory environment will be a key factor for success.

Development in Asia Pacific region

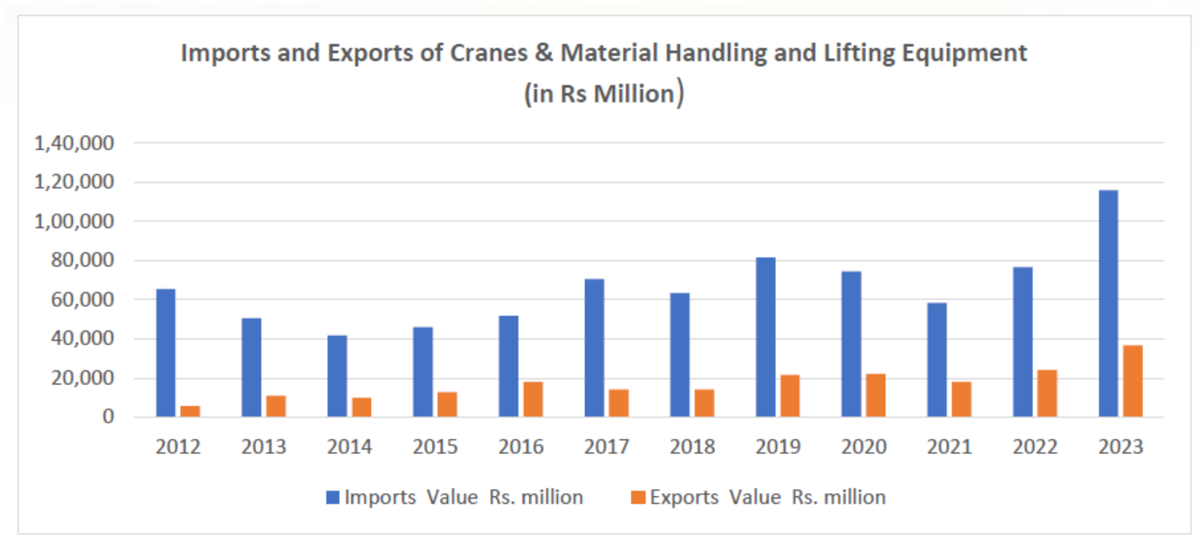
The Asia Pacific region is likely to lead the demand growth for construction equipment considering the high level of construction, infrastructure and re-construction activity in that region. Growing construction activities in emerging economies like China, India and Philippines.

Major global players in the Global mobile crane market:

- Bauer AG
- Kato Works Co., Ltd.
- Kobelco Construction Machinery Co., Ltd.
- Liebherr-International AG
- LiuGong Machinery Co., Ltd.
- Manitex International
- Manitowoc
- Palfinger AG
- Sany Heavy Industry Co., Ltd.
- Sarens n.v./s.a.
- Sumitomo Heavy Industries, Ltd.
- Tadano Ltd.
- Terex Corporation
- XCMG Group
- Zoomlion Heavy Industry Science & Technology Co., Ltd

The Pick and Carry Crane Industry is expected to grow at a brisk pace over the next 6 - 7 years. The crane market is expected to increase 300% between FY 2020 and FY 2030. It is projected to increase from 7000 units sold in FY 2020 to nearly 22000 units sold in FY 2030. The level of growth can be estimated at 5-6% CAGR over the next 7 years in line with the expected investment growth in the infrastructure sector.

Export-import trends in India:



(Source: CMIE, B2K Analytics Industry Report)

The sector is still dependent on imports in certain categories of cranes as is evident from the illustration above.

Market Segmentation:

The Indian Crane Market can be segmented as per below:

By types:

- Mobile Cranes
  - Truck mounted
  - Rough-terrain
  - Crawler
  - Floating
- Fixed Cranes (Tower cranes, Ring cranes, Overhead cranes, Hammerhead cranes etc.)
- Marine and Port Cranes (Gantry crane, Deck crane, Stacking crane etc.)

By machine type Mobile Cranes has the highest market share.

By application

- Construction
- Mining and Excavation
- Marine and Offshore
- Industrial
- Other Application

By application type the Construction sector has the highest market share.

Demand Drivers:

Huge focus on Infrastructure development and Construction in the country

As mentioned before, there is huge investment coming up from the Government and Private sector for infrastructure development.

Various government initiatives on infrastructure development like construction of buildings, bridges, road networks, ports, railways, dams etc.

- In 2021, the Central government announced plans to invest about USD 1.4 trillion in the infrastructure sector over the next five years.

- The Ministry of Road Transport and Highway is planning to award road projects with a total length of around 4,500 km worth USD 7.15 billion. *(Source: B2K Analytics Industry Report)*

- Govt. of India is also planning to start road projects worth USD 13.48 billion to construct road infrastructure in the state of Jammu and Kashmir. *(Source: B2K Analytics Industry Report)*

- Construction of one of the largest greenfield airport projects in the world at Navi Mumbai

Construction of new cities and increased real estate development in Tier 2 and Tier 3 cities

Gujarat is developing Gujarat International Finance Tec-City (GIFT), which is India's first operational smart city and international financial service center. It will have a construction area of 8.5 million square meters with 200 skyscrapers. The state government is also building a double corridor metro system to connect GIFT city to the nearby airport and various parts of Gandhinagar and Ahmedabad. Additionally, fund allocation on Smart City projects and RM Awas Yojana will spur growth in the Crane industry.

Mechanization of construction industry

Construction in India has become increasingly mechanized. With a focus towards speedier construction and reduction of manual labour, the construction industry is shifting towards pre-fabricated and standard construction. The need for pick and carry cranes increase substantially in such types of construction.

Increased utilization in manufacturing and other sectors

Increasing product utilization in various sectors like power, oil and gas, civil engineering, petrochemical industries etc. has led to a surge in demand for pick and carry cranes. These type of cranes can be used in various terrains and to pick up and transport objects from one place to another making them the obvious choice for other sectors.

Cranes of higher tonnage and electric cranes will be favored in the medium term

The pick and carry cranes of higher tonnage and electric variants make them more flexible and emission compliant. Going forward, these variants are likely to see increased demand.

Availability of equipment finance and rental options

The existence of equipment finance are encouraging the first time buyers to purchase cranes. Additionally, the rental options being popular, the rental companies will look at increasing their inventory to meet the demand.

Competitive Landscapes / Major Players / Market Share

The Indian Crane market is more or less consolidated with significant players occupying major share of the market. Some of the prominent players in the Indian crane market are Action Construction Equipment Ltd, Escorts Ltd, TIL Ltd, Liebherr-International Deutschland GmbH, Kobelco Construction Equipment etc.

Recent Developments:

- In December 2021, Action Construction Equipment Ltd received an order for 38 mobile cranes from SPIC, Defence R&D Organization (Ministry of Defence) of India.

- In November 2021, Escorts Ltd announced that Japan's Kubota had become a joint promoter. This will empower both companies to develop the value they have produced by leveraging each other's strengths.

- In March 2021, Liebherr launched the MK 73-3.1 mobile crane, which accompanies the crane series comprising the MK 140 and MK 88-4.1. The compact 3-axle crane is the response to market needs for an agile, compact, and small, mobile construction crane that is flexible and fast in operations.

Overall, the Crane Industry, led by the Pick and Carry crane segment (most popular segment in India), is poised for a sharp growth. With the industry expanding in correlation to the all-round infrastructure and construction push, the existing players have an advantage in the market. This industry is capital intensive and requires high cost of maintenance and customer support. That provides a natural barrier for newer entrants.

With such robust growth outlook for the industry, a capex cycle for the market players is expected during the near future.

Indo Farm Equipment Ltd has ventured into the Crane market in the last 5 years and ever since has been able to carve out a space for itself amongst well entrenched players in the market like ACE, Escorts Kubota, Caterpillar, Tata Hitachi etc.

Porter's Five Forces Analysis (Pick and Carry Cranes):

Entry barriers

- Entry barriers in the industry is high due to high technology and investment requirements
- It is a niche industry with limited players in the segment
- Large, well entrenched players already operating in the space

Bargaining power of buyers

- Buyers bargaining power is moderate in the industry since there are limited availabilty for various specifications
- Demand is likely to outgrow supply reducing the bargaining power of buyers further

Bargaining power of suppliers

- Suppliers bargaining power is High in this industry
- There is lack of availability of high quality raw materials at reasonable costs since very high grade steel and machine parts are required
- Limited availability of skilled manpower can increase the barigaining power of suppliers

Threat of substitutes

- Threat of sustitution is low since mobile cranes provide more flexibility than any other type of cranes
- However, aspects of improved safety features and emission compliance can have an impact on demand

Level of competition

- Level of competition is moderate
- Limited number of players in the market
- Larger players in the global crane industry are not into the Pick and Carry segment

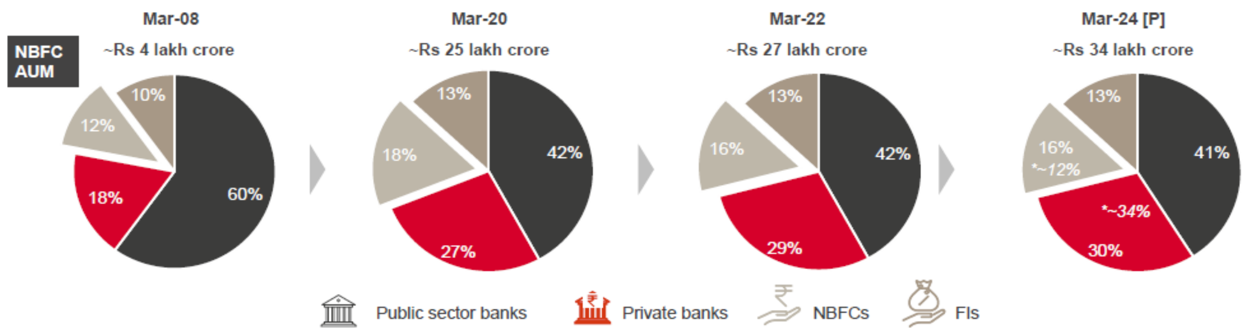
Commercial Vehicles Finance Sector

After several challenging years, fiscal 2023 have brought growth back into focus for NBFCs. To be sure, NBFCs have demonstrated an innovative and resilient streak over the years, adapting efficiently, even during the Covid-19 pandemic, to an evolving credit landscape. Today, they are stronger, more resilient and well placed to tap growth opportunities.

NBFCs had steadily increased their market share till recent years, with AUM accounting for as much as 18% of the overall credit pie in March 2019, up from 12% in March 2008. Several challenges over the past three fiscals lowered their share to 16% in fiscal 2022, with banks making bigger growth strides. However, NBFC growth is expected to pick up from here on, which should help sustain their ~16% AUM share.

Increase in NBFCs' AUM from just Rs 3.6 lakh crore in March 2008 to almost Rs 27 lakh crore in March 2022, and expected to increase further, indicates the importance of the sector to overall credit delivery in the economy.

Share of NBFCs in overall credit



Note: Total AUM in the financial sector; bank credit is of scheduled commercial banks and excludes exposure to financial sector. NBFCs include HFCs, but exclude government-owned NBFCs. Private Banks include foreign banks and SFBs. FIs include all-India financial institutions + government-owned NBFCs

*Note: Numbers with * represent share of the segment factoring in the proposed merger of a large HFC with a private bank*
(Source: RBI, company reports, CRISIL Ratings estimates)

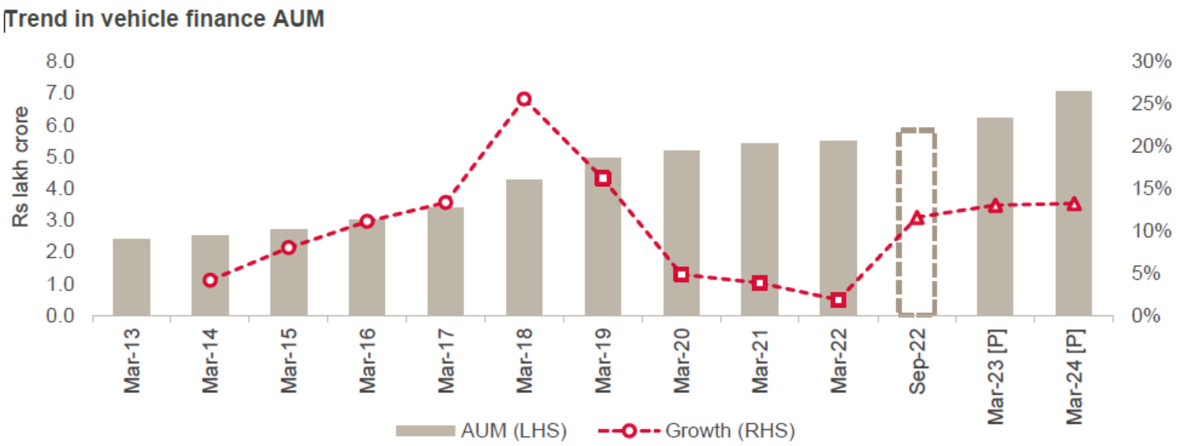
Vehicle finance: On a fundamental drive

Like housing finance, vehicle finance—the second-largest segment of the NBFC AUM pie—too, faces intense competition from banks, especially in the new vehicle loan segment. However, this is a segment where NBFCs have carved a niche for themselves over the years, which should stand them in good stead.

Vehicle finance AUM to grow 12-14% over the next two fiscals

The cyclical nature of vehicle finance reflects its close linkages with the macroeconomic environment and underlying asset sales. However, after muted growth in the past three fiscals because of the Covid-19 pandemic, new asset sales across segments are expected to be buoyant this fiscal. Easing of the semiconductor shortage and pent-up demand will support uptick in car and utility vehicle (UV) volumes. Growth in CVs, the largest segment for NBFCs within vehicle finance, will be supported by improving transporter profitability and expectations of prebuying with the second phase of Bharat Stage (BS) VI kicking in. Tractor is the only segment where sales are expected to grow moderately given the high base of previous fiscals, and due to subdued farmer sentiment following an erratic monsoon and delayed kharif harvesting.

As with new vehicles, sale of used vehicles is also gathering momentum, which is expected to continue over the medium term. Entry of new players has formalised this segment, thereby supporting growth. As a result, vehicle finance AUM is expected to grow 12-14% over the next two fiscals.



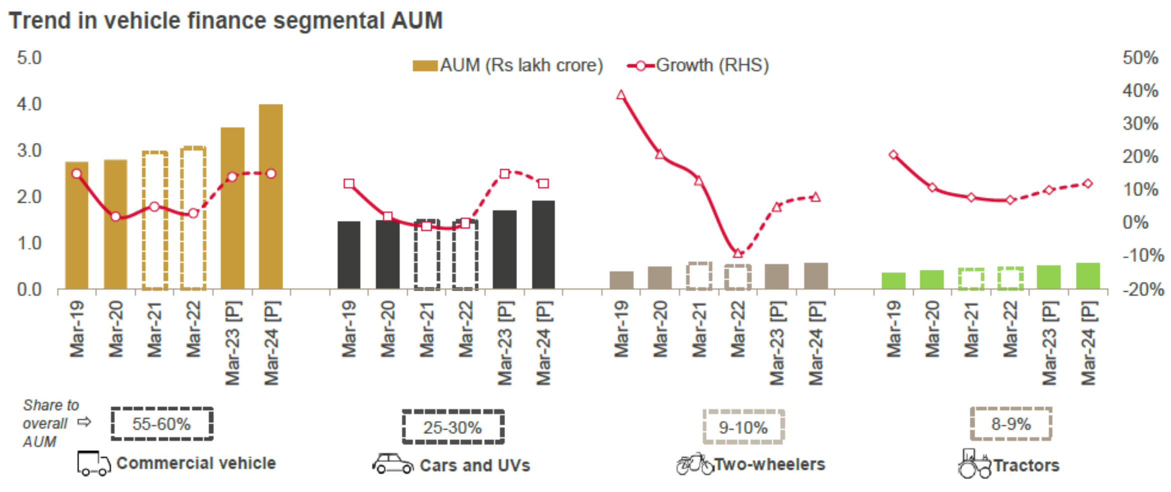
(Source: Company data, CRISIL Ratings estimates)

Banks to gain in new vehicle loans; used vehicles, LCVs remain NBFC forte

Driven by intense competition from banks, NBFCs are expected to cede share in the new vehicle finance segment. For instance, in the price-sensitive cars and UV space, banks have continuously gained share (~70% as of March 2022 from 67% as of March 2019) due to lower yields they offer compared with NBFCs; this trend is expected to continue. However, NBFCs are expected to maintain their leadership in CVs, specifically in the light CV (LCV) and used finance segments.

CVs to drive overall vehicle finance growth

The CV finance segment is expected to grow 14-15% in the near term. Due to the dominance of banks and revival of new car sales, growth in cars and UVs is expected to settle at ~15% (higher than the single-digit growth seen previously), though half-year growth may be higher. Growth in two-wheelers will see a robust uptick, coming off a low base. Tractor growth is expected to be relatively lower at 8-10%.



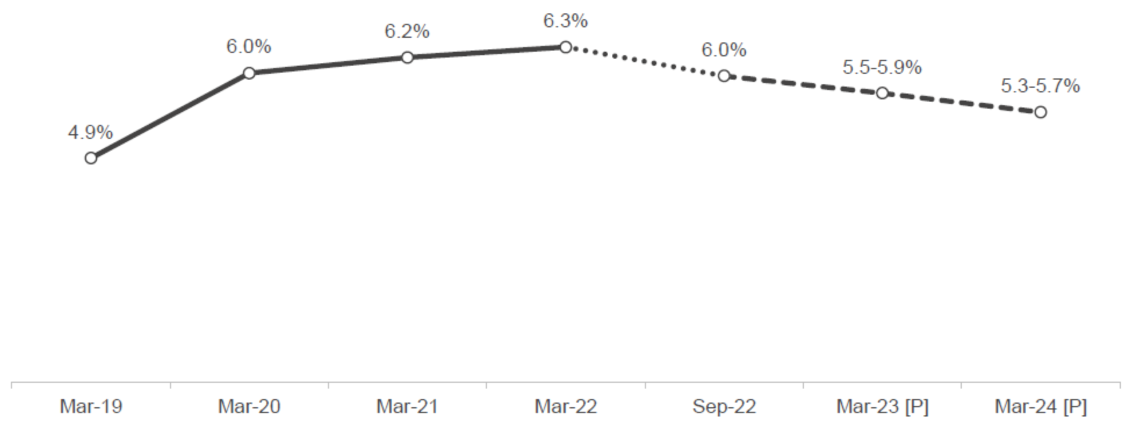
Figures in boxes above bars show the share of the segment in overall vehicle finance assets under management
Source: Company data, CRISIL Ratings estimates

Asset quality set to improve, while growth revives

The asset quality for vehicle finance is expected to improve over the medium term on the back of structural factors. Over the past several months, freight rates have increased in tandem with rising fuel costs, which means the burden of higher fuel prices is not being borne by the transporter. This has improved transporter cash flows.

Asset quality, as measured by 90+ days past due (dpd), is likely to show improvement by the end of March 2023. Nevertheless, with the implementation of the Reserve Bank of India (RBI) circular on Income Recognition, Asset Classification and Provisioning (IRACP) norms after September 2022, reported NPAs may increase. However, the impact will vary across players, some of whom had adopted the new regime after its introduction in November 2021 and continued with it. At the same time, performance of the restructured portfolio, which has halved from the initial 1.5-2%, needs to be monitored.

Trend in 90+ dpd for vehicle finance

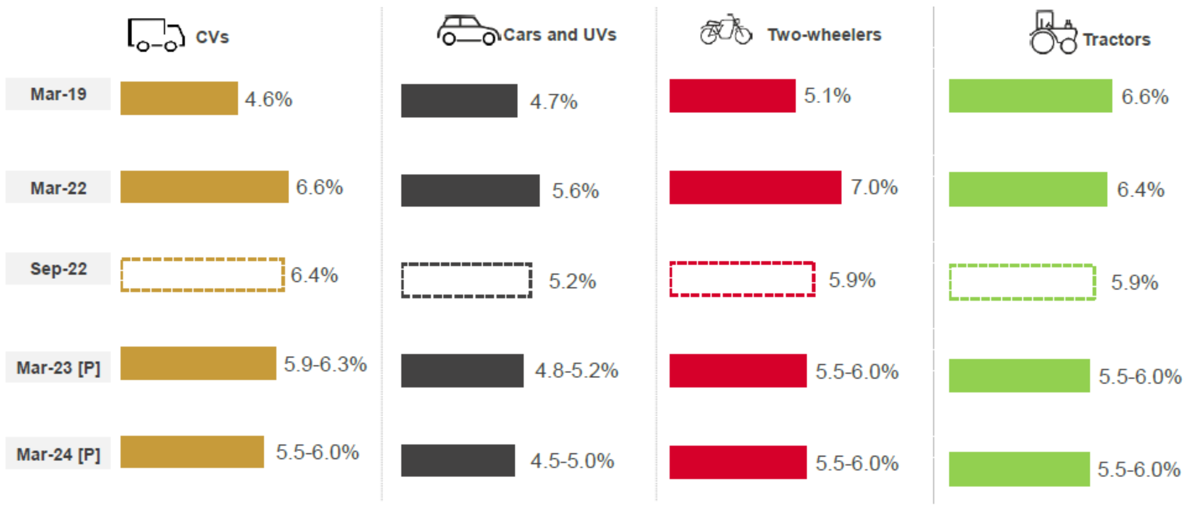


Source: Company data, CRISIL Ratings estimates

Improvement will be visible across segments

Some improvement was already visible in the asset quality of each sub-segment in vehicle finance in the first half of fiscal 2023, and this trajectory is expected to continue over the medium term. While all segments are likely to either improve or maintain steady performance, the biggest improvement is expected in the CV space, which is most closely linked to economic activity and will also ride some of the macro tailwinds.

Asset quality in the two-wheeler and tractor segments is expected to remain range bound given the characteristics of the underlying borrower segments; especially in the case of tractor, which is driven by agricultural activity and impact of the monsoons.



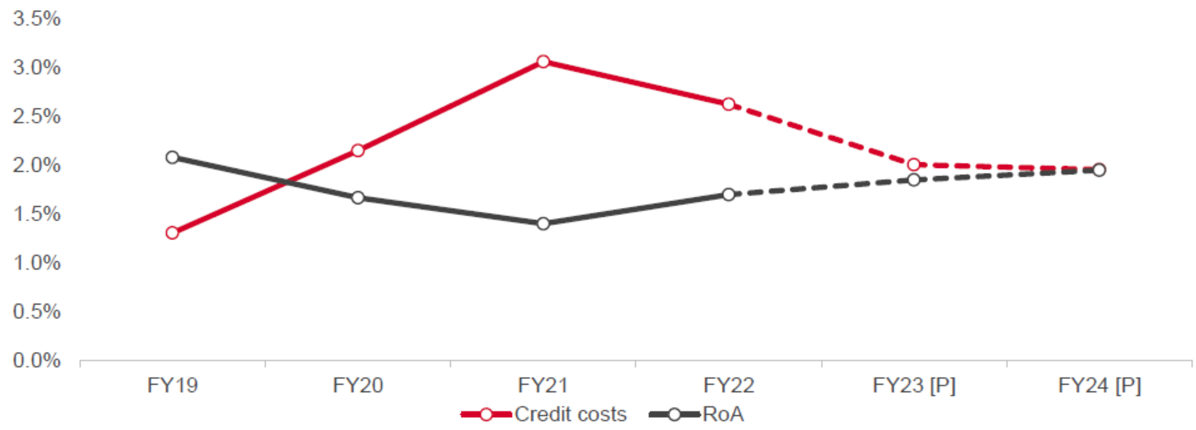
Source: Company data, CRISIL Ratings estimates

Performance of used vehicles is expected to remain reasonable, though individual players may fare differently. Interestingly, for some players delinquencies in the used vehicle space are at par or better than new vehicles, leading to increased focus on this space.

Reduction in credit costs will support profitability

While earnings are expected to remain stable overall, vehicle finance is the only segment where return on assets (RoAs) is likely to improve over the medium term. Though cost of borrowing will rise even for entities operating in vehicle finance, spread compression will be relatively lower owing to better ability to pass on the higher interest rates to new borrowers for new disbursements, especially in segments where NBFCs face limited competition. However, the biggest respite will come from improvement in credit costs: NBFCs had created sufficient management overlay buffers to counteract the pandemic's impact in the past few fiscals. These buffers are now being dipped into, which, in tandem with improvement in asset quality, will support credit costs.

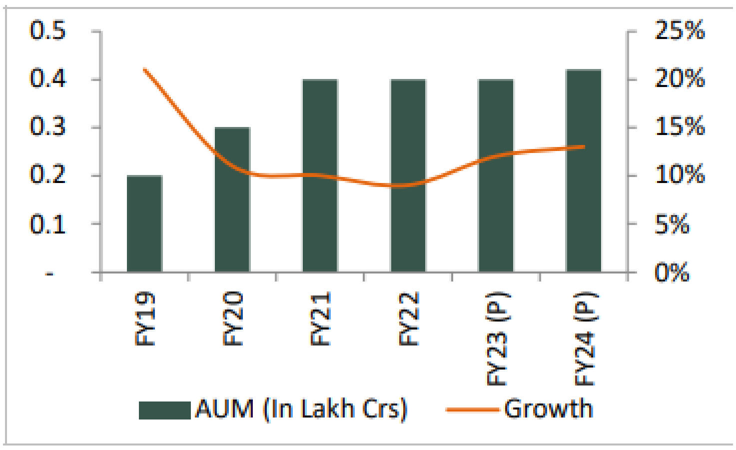
Trend in credit costs and RoA for vehicle financiers



Source: Company data, CRISIL Ratings estimates

The fundamentals are clearly in place for a revival in vehicle finance, though competition remains intense, especially in cars and UV finance. To manage this, we see an increased focus on the used vehicle segment as a risk-return strategy. While underlying asset quality or 90+ dpd will improve, reported GNPA metrics may weaken for some players because of revision in NPA recognition norms. At the same time, higher-than-expected interest rates and inflation, and their impact on borrower cash flows will be key monitorables. In the long term, niche positioning across customer/asset segments will ensure NBFCs continue to play a critical role in the vehicle financing space.

AUM Growth Trend- Tractors



When it comes to tractor sales, Mahindra & Mahindra (M&M) has been an undisputed leader for a long time and has continued to maintain its dominance. M&M market share in tractor sales has improved from 38% in FY22 to 40% during 11MFY23. MMFS, being a captive financer of Mahindra Group (around 40-45% of Vehicle are finance by Mahindra Finance), has got the benefits of parent leadership in terms of disbursement growth. Going forward, better monsoon and better quality and quantity of crops output are expected to increase the cash flows of rural segment and tractor (being a need based product for people in rural areas), sales are bound to witness strong demand. We expect MMFS to witness strong disbursement in the tractor finance segment in FY23 & FY24.

(Source: https://www.idbidirect.in/IDBIAdmin/Pdf/NBFC%20Retail-03-April-2023-1362895988.pdf)

OUR BUSINESS

Unless otherwise indicated, the industry-related information contained in this section is derived a report titled "Report on Agriculture Equipment & Carne Industry- Indo Farm" dated September 27, 2023 *prepared by B2K Analytics Private Limited. We commissioned B2K Analytics Private Limited for the said report, and paid for such report for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Offer. For further details and risks in relation to commissioned reports, see "Risk Factors – We have referred to the data derived from industry report commissioned and paid for by our Company from B2K Analytics Private Limited which have been used for industry - related data in this Draft Red Herring Prospectus." beginning on page 24 of this Draft Red Herring Prospectus.*

Unless otherwise stated, all financial information of our Company used in this section has been derived from our Restated Consolidated Financial Information. We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Information or otherwise be subject to an examination, audit or review by our auditors or any other expert. Some of the information in this section, including information with respect to our plans and strategies, contain forward – looking statements that involve risks and uncertainties. You should read the section entitled "Forward Looking Statements" on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements, and the section entitled "Risk Factors" on page 24 of this Draft Red Herring Prospectus for a discussion of certain risks that may affect our business, financial condition or results of operations.

Unless otherwise indicated, all financial, operational, industry and other related information derived from the B2K Analytics Report and included herein with respect to any particular year refers to such information for the relevant financial year.

OVERVIEW

Incorporated in 1994, our company, Indo Farm Equipment Limited is a more than two decade old fully integrated manufacturer of world class Tractors, Pick & Carry Cranes and other farm equipment such as Harvester Combines, Rotavators and other related spares & components.

Our products are sold under our own brand names as entailed below:

Our products are being exported to various countries. Our total sales for last three financial years include 90% domestic sales and 10% export sales. Our ISO 9001:2015 certified manufacturing facilities are spread across 127,840 sq. mtrs. of Industrial lands at Baddi, Himachal Pradesh which includes a captive foundry unit and dedicated machine shop, fabrication and assembling units for Tractors, pick & Carry Cranes and other equipments. Our facilities are equipped with induction furnaces, pneumatic molding machines, automatic molding line, sand plant, fully equipped Metallurgy and Sand Testing Laboratory, Machining Center, Gear Shop, Press Shop, Fabrication Shop, Paint Shop, Assembly unit, Quality Room & Utility room. Our integrated operations enable us to manufacture some of the critical machine components in-house which reduces our dependence on third parties, streamlines our production process and improves our operational efficiencies. In addition, it also enables us to maintain control over the entire manufacturing process and also provide better delivery timelines to our customers at a more competitive cost.

As on August 31, 2023, our production facilities have a capacity to manufacture 12,000 Tractors p.a. & 720 Pick & Carry Cranes p.a. We are currently manufacturing Tractors ranging from 16 HP to 110 HP and Pick & Carry Cranes ranging from 9 tons to 30 tons. We have recently acquired industrial land near our manufacturing facility wherein we intend to set up additional dedicated Pick & Carry Crane manufacturing unit and increase our additional capacity by 3,600 units p.a. For details of this proposed capacity expansion please refer section titled "*Objects of the Issue*" beginning on page 76 of this Draft Red Herring Prospectus. Our products have a proven standing and market in various sectors such as Agriculture, Infrastructure, Construction, Heavy Engineering and Industrial Projects.

We originally acquired Engine technology and started operations in the year 2000. For the initial 2 years, we have imported completely assembled engines and later on, we have indigenized and upgraded the engines to meet out the fast changing emission norms requirements of our country In the year 2006, we set up our in-house captive foundry and in the year 2007 we have introduced Pick & Carry Cranes to our portfolio and have been one the pioneers in this segment. Further in the year 2017, we launched our in-house NBFC Company for providing retail financing for our tractor. Our products are marketed and distributed by more than140 dealers from various states such as Punjab, Haryana, Uttar Pradesh, Maharashtra, Gujarat, Rajasthan etc. We have over the years created a fully integrated eco-system for ensuring high quality products and financial support for our customers.

We have been a profit-making company with over two decades of consistent track record. Based on our restated consolidated financial statements, our total income for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 were ₹ 3,718.18 million,₹ 3,526.13 million and ₹ 2,685.89 million respectively, our Profit after tax was ₹ 155.64 million,₹ 137.19 million and ₹ 84.92 million respectively, our EBIDTA was ₹ 587.18 million, ₹520.69 million and ₹ 411. 53 million respectively and our EBIDTA margin were 15.79%, 14.77% and 15.32% respectively.

As on June 30, 2023, we had 886 employees on our payroll on a consolidated basis.

Our Competitive Strengths

We possess a number of competitive strengths, which have enabled us to sustain and consistently perform for over two decades in our industry. Some of them are as below:

Fully Integrated and established Manufacturing Setup

Our ISO 9001:2015 certified manufacturing facilities are spread across 127,840 sq. mtrs. of Industrial lands at Baddi, Himachal Pradesh which includes a captive foundry unit and dedicated machine shop, fabrication and assembling units for Tractors and Pick & Carry Cranes. Our facility is equipped with induction furnaces, pneumatic molding machines, automatic molding line, sand plant, fully equipped metallurgy and Sand Testing Laboratory, Machining Center, Gear Shop, Hydraulic shop ,Sheet metal, Press shop Fabrication Shop, Paint Shop, Assembly unit, Quality Room & Utility room. Our integrated operations enable us to manufacture some of the critical machine components in-house which reduces our dependence on third parties, streamlines our production process and improves our operational efficiencies. In addition, it also enables us to maintain control over the entire manufacturing process and also provide better delivery timelines to our customers at a more competitive cost.

For instance, some of the industry players rely on auto ancillary manufacturers for critical parts of a tractor such as Cylinder Blocks, Transmission Housing, Gear Box, Sheet Metal Components etc. which are all manufactured by our company in-house, likewise critical components like Hydraulic Winches and Cylinders for the pick & Carry Cranes are also manufactured by us in-house. Over 330 components used in making a tractor and over 190 components used in making Crane are manufactured in-house by our company and hence we are able to manage our cost and quality competitiveness in both of our segments.

Our R&D Centre is equipped with specialist engineers and updated technology to provide customized solutions to our customers. We have been able to develop indigenous technology for tractor and crane models including self-developed design for re-entrant type combustion chamber in all engines for better combustion through proper air fuel mixing resulting in low fuel consumption.

Our backward integration has helped us in managing the diverse range of series and variants that we currently offer to our customers.

Well Educated & Experienced Management

The Promoter, Chairman and Managing Director of our Company, Mr. Ranbir Singh Khadwalia has significant industry experience of around three decades and possesses business intellect in all the core fields of the industry. Prior to starting our company in 1994, he worked with Eicher Group for around 2.50 years in the production department. He has been instrumental in the consistent performance of our company. His two sons Mr. Anshul Khadwalia and Mr. Shubham Khadwalia have also joined and dedicated themselves to the company. Both are well qualified from foreign institutions and have over 10 years and 7 years of work experience with our company respectively.

Further, our management team comprises of persons having operational, marketing and business development experience, who work in close coordination and in their respective area of specialization to ensure smooth and efficient working of the business activities.

The experience, depth and diversity of our Directors, Management Team and our Promoters have enabled our Company to be a consistent performer in our industry. Their educational background &industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences. For further information on educational background & experience of our Promoters, Directors and key management team, please see the sections entitled "Our Promoters and Promoter Group" and "Our Management" beginning on pages 186 and 168 of this Draft Red Herring Prospectus, respectively.

In-House NBFC Setup

In 2017, to further compliment & grow the business we have launched our in-house NBFC Company for providing tractor finance for our buyers through our subsidiary entity "Barota Finance Limited". As on March 31, 2023, our NBFC has a total Loan Book (Vehicle Finance) of Rs. 1,500.51 million and serves over 5,900 active customers. Our NBFC has a strong asset quality and track record. Our Gross and net NPA as on March 31, 2023 are 3.26 % and 2.71 % respectively.

We have over the years created a fully integrated eco-system for ensuring high quality products and financial support for our customers. Easy in-house finance facilities enable our customers to purchase our products with ease of finance.

Manufacturing Wide Range of Products

We are having the product range in tractors from 16 HP – 110 HP in 2 WD & 4 WD range. This range meets out around 80% of global market requirement especially 4WD tractors and 65, 75, 90 and 110 HP range which are developed for export markets such as Africa, Latin America, Middle East, Central and South East Asia and our 1,026 (26 HP range) is developed & homologated especially for European market.

The Company manufactures Pick & Carry Cranes which are widely used throughout engineering, construction and infrastructure industry. It offers customers a Pick & Carry mobile crane that epitomizes safety, quality, operator productivity, innovative features, and competitive total cost of ownership. The Company currently manufactures these cranes from 9 tons to 30 tons capacity available in 2-wheel drive and 4-wheel drive variants. Our machines are safe, economical and highly productive, capable of lifting and placing loads and also traveling long distances. As a result, they not only make the operator's job easier, but also ensure that he is able to deliver more in less time. In doing so, we help meet the growing requirements of the country's infrastructure development, mining, realty, and other sectors.

Having a ready setup with a wide range of running products, positions our company to be able to scale at a fast pace once adequate equity capital is infused in our company.

Product acceptability in multiple countries and wide variety of financial institutions

The company has exported its products to various overseas markets like Nepal, Syria, Sudan, Bangladesh, Myanmar, Kuwait, Jordan, Gabon, Chile, Yemen, Uruguay, Ghana, Nigeria, Ethiopia, Mauritius, Afghanistan, Mexico, Kenya, Uganda, UAE, Malaysia and Germany etc. Currently exports contribute to around 10% of our total sales, however our product acceptance track record in so many countries serves as an impressive international footprint and demonstrates our ability to provide world class products and after sales services to our esteemed customers at the affordable prices.

Currently, leading private banks like HDFC, YES Bank have already started retail financing and Kotak Mahindra is also in the process of financing of our products and as we grow our operations we intend to augment these financial assistance facilities further. As far as our Pick & Carry cranes are concerned, almost all the private banks including HDFC, Kotak Mahindra, ICICI Bank, Axis bank, Yes Bank, Indusind Bank .Mahindra finance, Shriram finance and almost all other PSU Banks are financing our products.

Our Strategies

We have over the last two decades established ourselves as a strong technically capable manufacturer and we now intend to scale our operations and grow our business to the next level. We intend to achieve the same by implementing our core business strategies. Details of some of our core business strategies are as below:

Augment capital base for scaling and expanding our operations

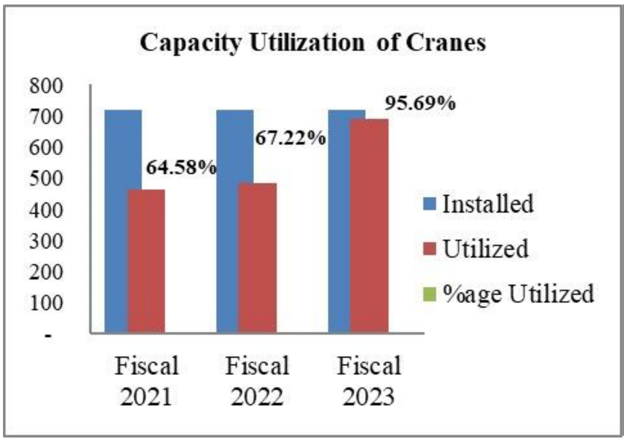
We have over the years been a technology driven enterprise and have focused on developing strong product and established world class manufacturing facilities. We have not yet taken any external equity from PE/ VC or other such investor and have built these large manufacturing capabilities, distribution network etc through earnings and owned funds in a slow and steady manner. Hence we have been a consistent but not a very fast-growing organization. However, with our second generation having now committed themselves to our business we are poised to best exploit our set up and scale up our operations in order to take our company to the next level. We intend to fund our growth by raising equity capital from capital markets. This fund would be primarily used to fund our growth plans such as expansion of Pick & Carry Cranes division and to further capitalize our NBFC and also to increase thrust on branding and marketing in order to be able to increase dealer network and hence better utilize our available production capacities.

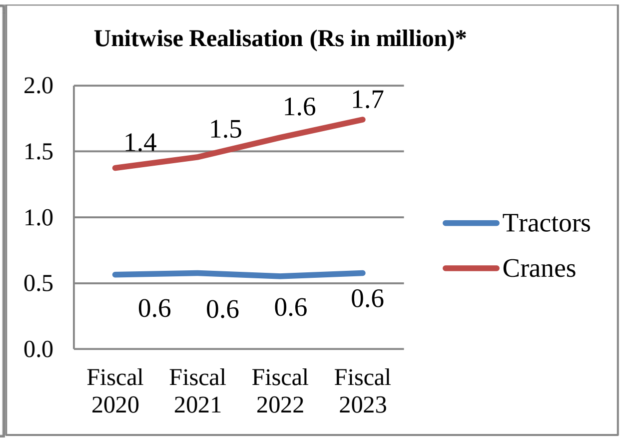
Reduce Debt Levels and improve Debt to Equity Ratio

As on March 31, 2023, our standalone and consolidated debt levels are Rs. 1704.86 million and Rs. 2806.53 million respectively. Our consolidated debt to equity ratio is 0.97. We intend to utilize Rs. 600 million towards reduction in our debt. For further details, please refer to chapter titled "Objects of the Offer" beginning on page 76 of this Draft Red Herring Prospectus. Reducing our debt would ensure strong profitable and robust balance sheet which would lead to wealth creation for our shareholders in the long term.

Focus on the niche market of Pick and Carry Cranes

We started with manufacturing of Tractors and since the base technology behind a Pick & Carry Crane is similar to a Tractor we have entered into manufacturing of pick & Carry Cranes also. As compared to Tractors which is a very competitive industry where local and global players are present in the matter, the Pick and Carry Crane sector is a niche segment with not many global players are participating in this segment.





**The unit wise realization has been computed by dividing total segment sale by total number of units sold during such year. Hence it represents average price per unit and doesn't represent specific price of a particular class of product.*

Our Pick & Carry Cranes sales have grown at a CAGR of 24.59% in the last 3 years and as can be seen from the above graphs, we have almost fully utilized our capacities for this segment. Pick and Carry cranes are the most popular of the mobile cranes because of the flexibility of use that they provide. Hence the demand for mobile cranes is expected to be driven by Pick and Carry cranes. Indian crane market is expected to grow at 6.79% CAGR for the next 5 years owing to large infrastructure and construction spending by the Government and private sector in the pipeline *(Source: B2K Analytics Industry Report)*. With the industry expanding in correlation to the all-round infrastructure and construction push, the existing players have an advantage in the market. With such robust growth outlook for the industry, a capex cycle for the market players is expected during the near future. Our capacity utilization for cranes has increased from 64% in Fiscal 2021 to 95% in Fiscal 2023 since we have already utilized the crane manufacturing capacity to its peak we now intend to enhance and fund our expanded production line facility for the same through this equity issue for additional capacity of 3600 "Pick & Carry" Cranes p.a. As we have developed all the crane components and spare capacity available across all the shops i.e. Foundry, Machine shop , Gear shop and hydraulic shop in our existing facility, only the fabrication, sheet metal and assembly line is to be installed for creating above said additional capacities of the Cranes. With this, we will be able to encash the utilization of unused capacities available in various shops with a relatively lower capital expansion cost. Moreover, the unit wise sale realization of the Cranes is in increasing trend over the last 3 years mostly due to the Government's focus on infrastructure building and also because we are one of the fastest growing economy. Thus, we propose to focus on this segment and get an early mover advantage before other larger players increase their focus on this which would lead to better sales realizations and profitability. For details of this proposed capacity expansion please refer section titled "*Objects of the Issue*" beginning on page 76 of this Draft Red Herring Prospectus.

Augment our Dealer Network and Sales Force

While historically we have had a strong presence in North India, we intend to leverage our brand's visibility and expand our presence PAN India. As on August 31, 2023, we have 140 registered dealers for tractor and 20 registered dealers for crane and other 15 dealers for spares and services of crane division across India. Our dealerships are fully equipped for Sales, Service & Spares. We intend to increase our dealer base to above 500 in the next three years, while also simultaneously increasing sales and marketing team. We propose to offer more competitive offers to the dealers and our sales force.

We seek to increase our presence in export markets by targeting to serve in developed and emerging countries through dealers distributors in order to access a more diversified customer base across geographies. We plan to increase our penetration for exports of tractors in select export markets and once we are able to expand our capacities of cranes we plan to export our pick & Carry Cranes in SAARC Countries namely Nepal, Bhutan, Maldives, Afghanistan, Bangladesh, Sri Lanka etc. Further to strengthen our presence in export market, we intend to add an experienced marketing team with continuous focus on branding and also participation in trade fairs of export markets.

DETAILS OF OUR BUSINESS– INDO FARM EQUIPMENT LTD

The Company is an established manufacturer of:

a) Tractors

b) Pick & Carry Cranes

c) Other Farm Equipment and Components

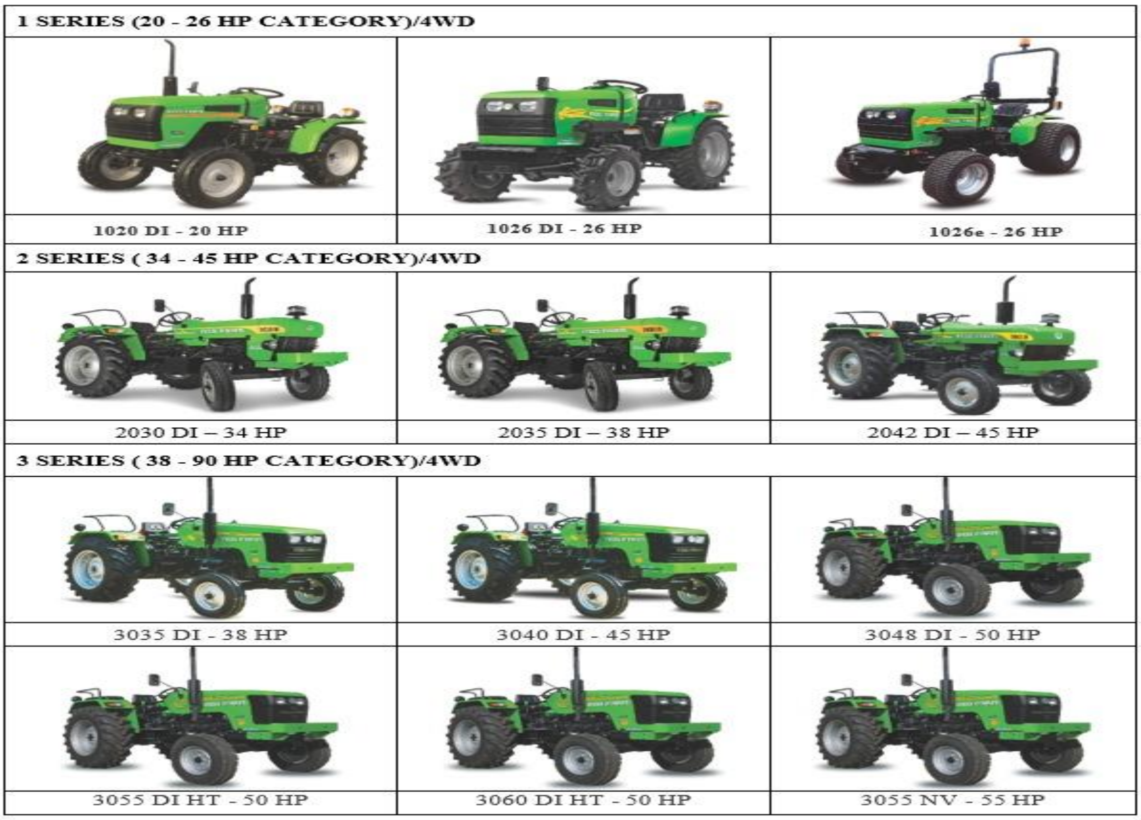
Following are the details of our core Product Segments / Divisions:

a) Tractors

Manufacturing the best farm tractor will always be special to us. Being a credible tractors manufacturers , every tractor we make is a tangible realization of our dream to empower the farmer by providing them in return for their trusted investment, a powerful machine that is not only easy to maintain and smooth to operate but also adequately fuel-saving. We started operations with a single model of 50 HP and now manufacture various ranges of tractors from 16 HP to 110 HP.

Our tractors employ best in class technology and innovation giving us an edge over our market competitors. We provide end-to-end services i.e. from unique models that give our customers the choice of having Power steering or manual steering, power brakes or disc brakes, reverse PTO including variety of speeds according to the suitability of various implements. We offer our tractors with high back up torque; heavy duty hydraulic lifts with stability which is being preferred for haulage application also. Besides manufacturing, we are focused to ensure the best in class services to our esteemed customers.

Following are our product offering range in the Tractor Division:



1 SERIES (20 - 26 HP CATEGORY)/4WD		
1020 DI - 20 HP	1026 DI - 26 HP	1026e - 26 HP
2 SERIES (34 - 45 HP CATEGORY)/4WD		
2030 DI – 34 HP	2035 DI – 38 HP	2042 DI – 45 HP
3 SERIES (38 - 90 HP CATEGORY)/4WD		
3035 DI - 38 HP	3040 DI - 45 HP	3048 DI - 50 HP
3055 DI HT - 50 HP	3060 DI HT - 50 HP	3055 NV - 55 HP

3055 NV PLUS - 55 HP	3055 DI - 60 HP	3065 DI - 65 HP
3075 DI - 75 HP	3090 DI - 90 HP	
4 SERIES (75 - 110 HP CATEGORY)/4WD		
4175 DI - 75 HP	4190 DI - 90 HP	4100 DI - 100 HP

		
3055 NV PLUS - 55 HP	3055 DI - 60 HP	3065 DI - 65 HP
		
3075 DI - 75 HP	3090 DI - 90 HP	
4 SERIES (75 - 110 HP CATEGORY)/4WD		
		
4175 DI - 75 HP	4190 DI - 90 HP	4100 DI - 100 HP
		
4110 DI - 110 HP		

Following are some of the key features of our tractors:

- **Efficient Engine -** Powerful Engine & High fuel efficiency
- **High Pulling Power –** Low fuel consumption with high pulling power
- **Constant Mesh Gearbox –** Due to constant meshing the speed of pinion and gear are same hence both will engage smoothly, leading to reduced wear of gears and long life.
- **High Back-Up Torque –** For deep cultivation and haulage of heavy loads on steep gradients.
- **Oil Immersed Brakes** – Better breaking due to larger braking area; longer life due to oil cooling. Ideal for puddling and haulage on hilly terrain.
- **Power Steering –** Ease of operation, operator comfort & safety in heavier applications
- **Dual Clutch** – While working with PTO, one can shift gears without stopping the PTO operation. Required for rearpers, balers, Post-hole diggers and similar implements.
- **Reverse PTO –** It is used when farm equipment gets stuck while performing farm activities. It requires less maintenance in the long term.
- **More Speed –** Useful for transportation / carriage.
- **DC Valve** – Best for hydraulic operated equipment
- **High Capacity Hydraulic Lift –** Suitable for heavy implements and tipping trailers with high loads ranging from 500 kg to 2600 kg.

In addition to the above mentioned tractor range, our company is also at the forefront of developing new age models to increase the comfort of our end consumers. Some of the products we have developed and could be growth drivers for our company in theb future include:

Indo Farm Backhoe Loader	Indo Farm A/c Tractor	Indo Farm Electric Tractor
		
Our Backhoe Loaders are a Tractor pre-fitted with an extended excavator. Product is suitable for 90 HP and above with lifting capacity of 1200 kgs.	We have developed and provide a tractor fitted with a "Hot and Cold' tempreture controlled cabin.	We have developed an Electric Tractor and are in advanced stages of testing.

b) Pick & Carry Cranes

Hydraulic Mobile cranes are the basic material handling equipment being used extensively throughout the engineering, construction and infrastructure industry. Within this segment, Pick &Carry Cranes are type of crane which is used to pick up material and move it to other short distance locations. These machines are used for loading, unloading, moving, shifting and erecting material at construction sites, manufacturing plants and other larger material handling setups.

Our Company currently manufactures hydraulic mobile cranes from 9 tons to 30 tons capacity. Our Product range in this vertical is as described below:

<table>
<tr><td colspan="4">INDO POWER - FN Series
New Generation Pick 'N' Carry Hydraulic Mobile Cranes
4WD</td></tr>
<tr><td>
Indo Power – 15 FN/FNT & FNV(63 ft. height 4 part boom)</td><td>
Indo Power – 20 FN (64 Feet height 4 part boom)</td><td>
INDO POWER-23 FN/25
(64 feet height 4 part boom)</td><td>
INDO POWER-30 FN (40/80 ft. height 3/5 part boom)</td></tr>
<tr><td colspan="4">INDO POWER - FNX Series
New Generation Pick 'N' Carry Hydraulic Mobile Cranes
2WD</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
</table>

INDO POWER-15 FNX/15 FNX Plus (51 feet height 4 part boom)	INDO POWER-17FNX/ 17 FNX Plus (63 ft. height 4 part boom)	INDO POWER-20 FNX (65 feet height 4 part boom)	INDO POWER-30 FNX (40/80 feet height 3/5 part boom)

IP Series Conventional Pick 'N' Carry Hydraulic Mobile Cranes				
				
INDO POWER-12 AV29'-2 Part Boom36', 42' -3 Part Boom	INDO POWER 12 AV29', 30'in 2 Part Boom 36', 42' & 45' in 3 Part Boom51' & 55' in 4 Part Boom	INDO POWER 1429', 30' in 2 Part Boom 36', 42' & 45' in 3 Part Boom 51' & 55' in 4 Part Boom	INDO POWER-16 36', 42' & 45' in 3 Part Boom 55' & 65' in 4 Part Boom	INDO POWER-20 65', 74' & 80' 4 Part Boom
IP Series Conventional Pick 'N' Carry Hydraulic Mobile Cranes				
	 INDO POWER 25 63', & 75' 4/5 Part Boom		 INDO POWER-30 63', & 75' 4/5 Part Boom	

Following are some of the key features of our Pick & Carry Cranes:

- Cabin with better ergonomics
- Four side more visibility cabin
- Heavy duty winch
- Heavy duty drag winch
- High Ground clearance
- Easy for Maintenance
- High Torque Engine
- Best in Class Stability
- More front visibility
- Heavy duty Transmission
- Less Maintenance
- Less Fuel Consumption

Other Farm Equipment and Components

Apart from Tractors and Cranes, we also manufacture and sell other farming related products such as Harvester Combines, Rotavator and other Foundry Components and Scrap from time to time. The details of these products are entailed below:

Harvester Combine

A Harvester Combine is a multi-purpose farming machine used to obtain crop yield by means of threshing, reaping and cleaning the crops in a single operation. This machine moves through the entire farm to gather crops, cleans the grains and stores it simultaneously. This agricultural machine saves time and helps to generate higher income.

Our company started manufacturing of Harvester combines in the year 2010. We manufacture harvester combines that work adequately even under adverse climatic and field situations and give maximum results with minimum physical or economical strain while maintaining the grain quality.

Our harvester combines score on power, performance, fuel-efficiency and also appearance. An aesthetically pleasing machine packed with unbeatable features and unparalleled power is how we strive to make our machines.

Key Features of our Harvester Combines:

- Efficient Cutting Mechanism
- Large Grain Tank
- Powerful Engine
- Easy Control

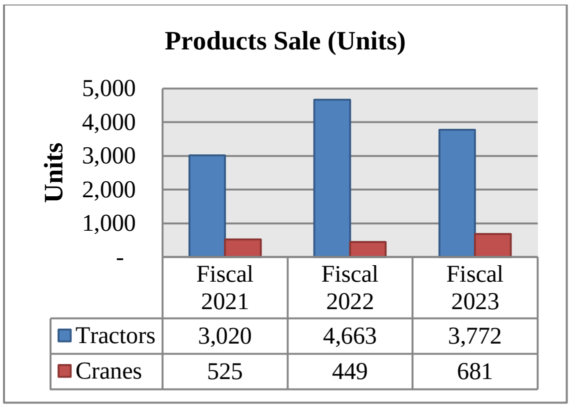
Rotavators

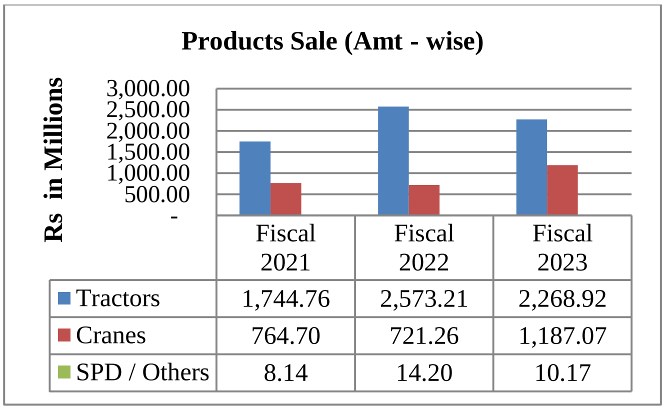
A Rotavator is a tractor implement, which basically comes with rotating blades, utilized for the preparation of soil or seedbed with minimum human efforts. It is used for various purposes like preparation of soil beds, controlling weeds, shallow cultivation, chopping and mixing of crops as well as for the mixing of various fertilizers and nutrients in the soil. It comes in various varieties like Light duty rotavator, Medium duty rotavator and High duty rotavator that require tractors with different horse powers for operation. Rotavators are far better than the traditional tillage methods as they require far less time, energy and labour for soil preparation than compared to traditional methods. It also increases the aeration and quality of soil hence improving the yield of soil.

Break up of product vertical sales for last 3 years:

(₹ in millions)

Particular	FY 2020-21			FY 2021-22			FY 2022-23		
	Qty	Amount	% of Sales	Qty	Amount	% of Sales	Qty	Amount	% of Sales
Tractors	3,020	1,744.76	69.30%	4,663	2,573.21	77.77%	3,772	2,268.92	65.46%
Cranes	525	764.70	30.37%	449	721.26	21.80%	681	1,187.07	34.25%
Others	-	8.14	0.32%	-	14.20	0.43%	-	10.17	0.29%
Total Sale of Products		**2,517.60**	**100.00%**		**3,308.67**	**100.00%**		**3,466.16**	**100.00%**





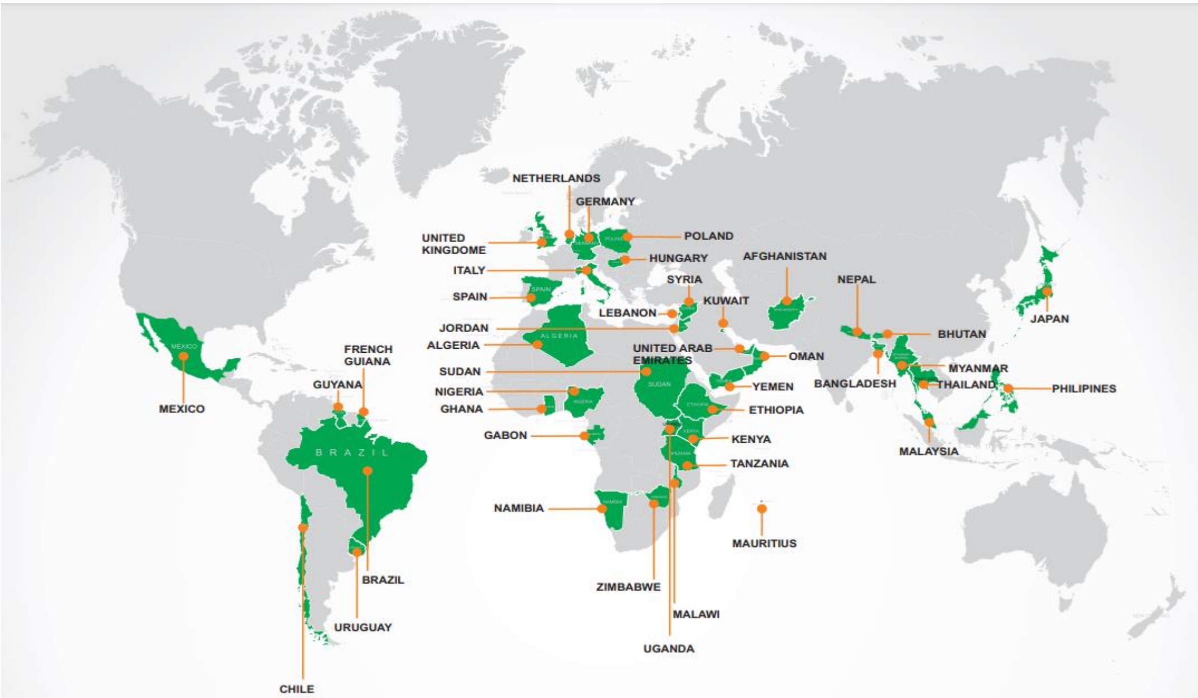
Domestic vs. Exports

Our Company has exported its products in various countries worldwide in the last five years. Our Exports contribute around 10% on an average of our total revenues of last three years. Our Domestic market contributes to around 90% on an average of our last three years revenues. The revenue breakup for the preceding three financial years based on the sale of our products in domestic and international markets is as follows:

(₹ in millions)

Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Domestic	2,235.62	88.80%	3,117.12	94.21%	3,085.97	89.03%
Export*	281.98	11.20%	191.55	5.79%	380.19	10.97%
Total Sale of Products	**2,517.60**	**100.00%**	**3,308.67**	**100.00%**	**3,466.16**	**100.00%**

**Exports include the value of Export Incentives.*



We currently have presence in multiple countries such as Nepal, Syria, Sudan, Bangladesh, Myanmar, Kuwait, Jordan, Gabon, Chile, Yemen, Uruguay, Ghana, Nigeria, Ethiopia, Mauritius, Afghanistan, Bhutan, Mexico, Kenya, Uganda, UAE, Malaysia, Poland, Holland, Hungary, Belgium and Germany etc.

We are having the tractor product range from 16 HP – 110 HP in 2 WD & 4 WD range. This range meets out around 90% of global market requirement especially 4WD tractors and 65, 75, 90 and 110 HP range is developed for export market especially for Africa, Latin America, Middle East, Central and South East Asia apart from 1026(26 HP range) which is developed & homologated especially for European market.

Our international footprint demonstrates our ability to provide world class products and after sales services to our esteemed customers at the affordable prices.

We are strengthening our Export department and will be focusing all the major export markets across the globe as our product is already tested, validated and appreciated by our esteemed customers.

Our Manufacturing Setup

Our ISO 9001:2015 certified manufacturing facility is spread across 127,840 sq. mtrs. of Industrial land at Baddi, Himachal Pradesh which includes a captive foundry unit and dedicated machine shop, fabrication and assembling units for tractors and Pick & Carry Cranes. Our facility is equipped with induction furnaces, pneumatic molding machines, automatic molding line, sand plant, fully equipped metallurgy and Sand Testing Laboratory, Machining Center, Gear Shop, Press Shop, Fabrication Shop, Paint Shop, Assembly unit, Quality Room & Utility room. Our integrated operations enable us to manufacture some of the critical machine components in-house which reduces our dependence on third parties, streamlines our production process and improves our operational efficiencies. In addition, it also enables us to maintain control over the entire manufacturing process and also provide better delivery timelines to our customers at a more competitive cost. The presence of large backward integrated facilities of the components in house enables us to be efficient and cost effective to design and develop the new product range.

As on August 31, 2023, our production facility has a capacity to manufacture 12,000 Tractors p.a. & 720 pick & Carry Cranes p.a. We are currently manufacturing Tractors ranging from 16 HP to 110 HP and pick & Carry Cranes ranging from 9 tons to 30 tons. We have recently acquired industrial land near our manufacturing facility wherein we intend to set up dedicated pick & Carry Crane manufacturing unit to set up an additional capacity of 3,600 cranes p.a.

(A bird's eye view of Machining and Assembly Units at Baddi, Himachal Pradesh)

Foundry Division

(Casting Line)

(Induction Furnace)

(Gear Division equipped with latest machines)

(Machine Shop having more than 200 modern machines, CMM, SPMs and latest CNC machining centres for producing excellent quality components)

(Cylinder Block Machining Centre)

(3-Cooridinate Measuring Machine)

(Die Making CNC Machining centre)

(Turning Centre Machine)

(Engine Assembly)

(Gear Box Assembly)

(Sheet Metal Assembly)

(Press Shop)

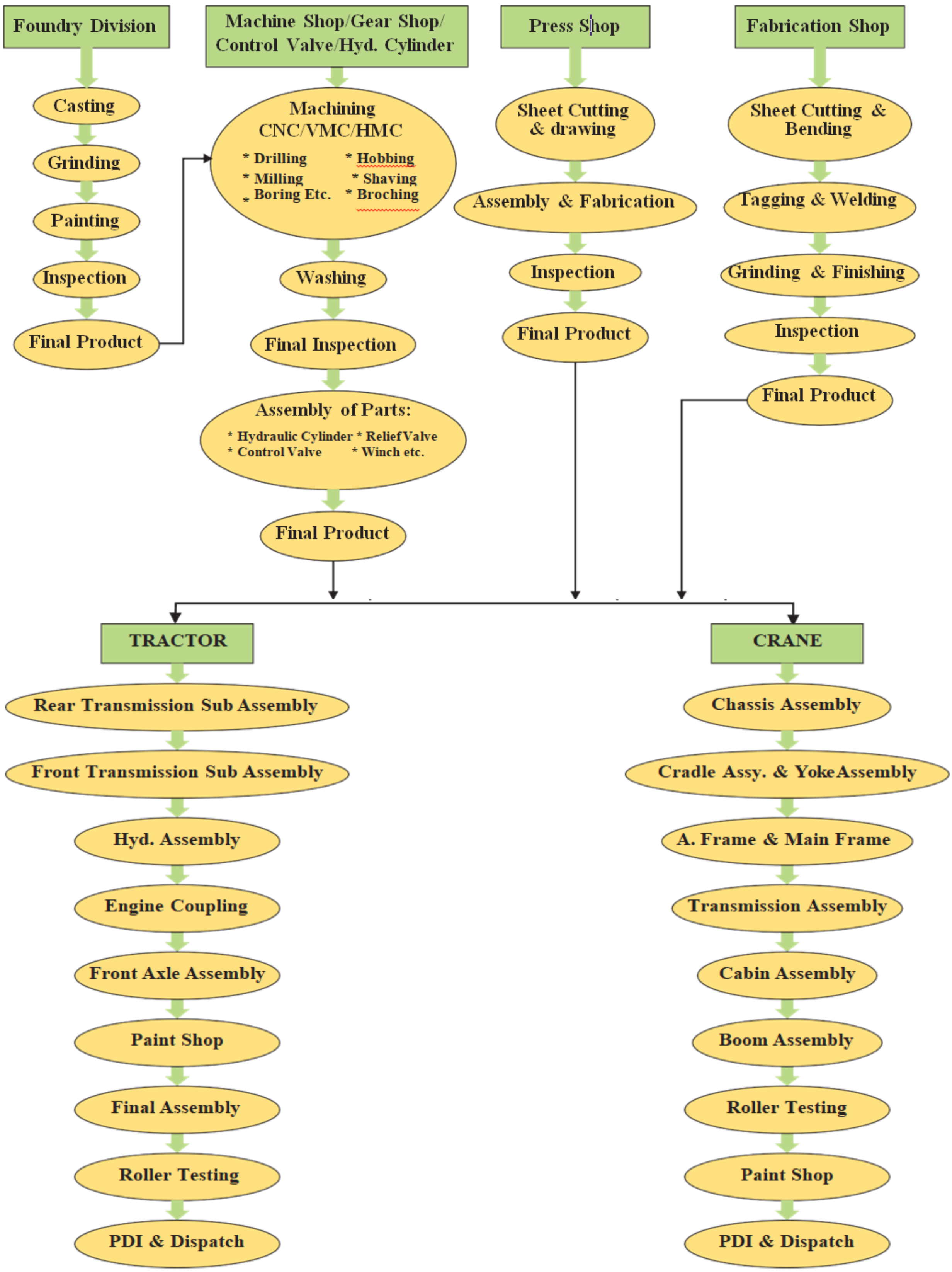
(Final Testing)

(Stockyard)

The manufacturing set up is broken down into following core divisions:

Division	Description
Foundry Division	For ensuring we are able to manufacture critical components in-house, our foundry unit was commissioned in 2006, equipped with latest machines with over 300 components manufactured in-house for our tractor division and over 200 components for our crane division. It is equipped with 2 Induction furnaces which work on dual track System. All Casting parts of tractor and crane are produced in-house viz – Engine Block, Rear Transmission housing (Differential Housing), Front Transmission housing (Gear Box), Hydraulic Housings, Axle tube, Brake housing, wheel hub, Brake housings etc. Both CI and SG iron metals are cast into shapes by melting them into a liquid, pouring the metal into a mold, and removing the mold material after the metal has solidified as it cools.
Machining Division	In-house State-of-the-art Machine Shop with more than 150 modern machines, SPMs and latest CNC machining centers for producing excellent quality components like Cylinder heads, Blocks, Transmission housings, Gear boxes, Hydraulic housings, Axle tubes, Differential Cages, Timing cases & covers, Flywheel housings, etc. Machine Shop Comprises of Various CNC (HMC, VMC, Turning machine etc), General Purpose and Special Purpose Machines doing various machining operations viz Milling, Turning, boring drilling etc. All major parts of tractor and crane are machined In-house. Machining of complete Engine block, Differential Housing, Gear box Housing, Hydraulic housing along with other allied casting parts is done in-house. Machining and manufacturing of complete Hydraulic control unit and relieve / relief valve is done in – house.
Hydraulic Division	In house manufacturing of hydraulic cylinders , hydraulic winches for Crane division and other critical hydraulic components for tractors like control valve, relief valve and RB Housing etc.
Gear Shop	Gear Shop is equipped with State of Art CNC Gear machines– All Operations viz. - Broaching, Shaping, Hobbing, Shaving, Grinding, roofing etc. is done on these machines. Both Spur gear and Helical gear are made in this shop.
Press Shop	Press shop is having various Hydraulic Pressing, Trimming and Shearing machines. It is equipped to make all types of Sheet Metal of tractor and crane - this includes Bonnet, Dashboard, Fenders and Front Grill etc. Heavy tractor parts like Front Axle Beam, Front Axle Bracket, Bumper, Toe Hook etc. are also fabricated in this shop.
Fabrication Shop	Fabrication Shop is equipped with adequate machines required for heavy fabrication like Plasmas, Oxy cutting, Heavy duty hydraulic CNC Bending machines, CNC Sheering machines and Saw welding. . This shop makes 100% fabrication parts of crane such as Chassis, Cradle, Yoke, Mainframe, Boom, Fuel tank, Hydraulic tank, Bumper etc. and also some Heavy tractor parts like Front Axle Beam, Front Axle Bracket, Bumper, Toe Hook etc.
Tractor Assembly	All Sub-assemblies of Tractor is done on dedicated assembly lines which are then ported to main line to make complete chassis of Tractor. The Chassis of Tractor is washed, cleaned and painted on automated line. The painted chassis gets fitted with components like Wiring Harness, Sheet Metal, Tires, and Driver Seat etc. to convert it into complete Tractor.
Crane Assembly	All Fabricated parts of crane viz Chassis, Main Frame, Cradle Yoke, Boom, Cabin and Tanks etc. received from fabrication Shop. The Prime Mover (Gear Box and Engine is being supplied by Assembly Shop). All these parts are assembled on dedicated line to make complete crane. After rollout these cranes are tested thoroughly and finally dispatched after PDI.
Quality Room	One of the most sophisticated machines – CMM (Co-ordinate Measuring Machine) is engaged along with other Inspection instruments &machineries to ensure proper checking of quality of components. All parts are passed through quality check as per inspection plan before they are for assembly line.
Utility Room	Utilities like compressors to supply compressed air, Genset as power backup, ETP and STP for proper treatment etc. are installed to support the Complete Production Functions of the Plant.

Manufacturing Process Flow Chart:



Plant and Machinery

Our manufacturing units are equipped with latest machinery and well organized facilities for the manufacturing of our products. A broad variety of machinery and equipment are required for both foundry and machining divisions in this industry. There's a continual need for process innovation with the market becoming more demanding and sophisticated. The customers expects novelty &and a product that is value for money.

Some of the key Plant and Machineries at our Manufacturing facilities are as below:

Foundry Division:

Sr.No.	Particulars	Make
1	Induction Furnace (Melting /Holding) with cooling tower	Electrotherm / Eneetech
2	EOT	Pioneer/ Indeef/ Aron
3	Utility (Power pack / DG set/ Compressor / Transformer)	Shree Shakti, Pioneer, Indeef , Kaesser, Nucon, Crompton
4	Core sand mixture with sand dryer	Wesman / Rhino
5	Cold box and Knock out	Vision /Compax
6	Belt conveyors + Bucket elevator dust collector	Shree Shakti +Rahino
7	Molding machine with boxes and pallet	Disa
8	Shot blast machine with grinder	Meera
9	Tooling (Pattern / Core box)	-

Machine Division:

Sr.No	Machine Types	Types	Make
1	CNC	VMC	HASS / BFW/ HMT / DOOSAN ACE Series
		HMC	YAMZAKI MAZAK / HMT
		CNC Turning	Lokesh Machines / ACE Super Jobber
2	Milling	Duplex, Vertical, Horizontal Mill.	Batliboi / HMT / SM Engg. / WMW
3	Boring	SPM Boring, Vertical Boring	WMW/ Bombay Machines, UBHI Tool, SM ENGG. HiTech
4	Drilling	Radial FLEXI , Multispindle	Batliboi / HMT / ISPL Auto. / PAC Drill
5	Lathe /GPM	GPM , Lathe Capston , Hydraulic Press	HMT / Bansal / Kirloskar / Model Machines / Bansal Machines / Sunrise
6	Inspection	CMM , Profile Testing Testing Rig	Zeiss / Gayatri Machines/ Ashwani /Kelleyes / Winglwnberg / Hydro Tech.
7	Gear Cutting	Hobbing , Shaving , Shaper , Broch , Roofing/Swezing	Kashifuji / Toss / Phauter/ Mitsubishi/ Fellows / DarshEngg.

Press Shop, Crane Fabrication, Tractor, Quality, Utilities divisions

Sr.No	Machine	Make
1	Hydraulic + Power Press Machine	Pes/Milap/ Zhengxi/Haiom
2	Welding Set (Arc+Mig) And Fixture	Panasonic / Sunrise
3	EOT +Utility (Genset+Compressor+Transformer)	Kiser / Sudhier/ Jindal/Crompton.
4	Testing Equipment (Bed+Machines)	Saj/Saroj/Ubique
5	Hydraulic Bending And Sharing Machine +GPM	Messers/Kross/Hindustan Hydraulic

Raw Material

The primary raw materials required to manufacture our products are Pig Iron & Scrap for foundry, steel for fabrication and sheet metal shop, lubricants & consumables. We also use bought out items such as tires& tubes, wheel rims, clutches, battery, steering, break housing assembly, 3 point linkage, transmission assembly parts, bearings , fasteners, oil seals, gaskets and various other assembly parts of transmission and engine parts i.e. FIP, Piston, Crankshaft, Cam rod, Connecting rod , engine bearing etc for our production. The raw material costs constituted 60.98%, 63.96%, and 63.01% as a percentage of our total product sales for Fiscals ended 2021, 2022 & 2023 respectively on a restated consolidated basis. We have built an effective raw material procurement system resulting in regular steady supply of requisite quantities of material on time. The company has minimized its procurement risk by diversifying its procurement operations across a judicious mix of well-established medium and reputed industries/suppliers. The procurement process includes Identifying needs & requirements, Evaluation of local, national & international suppliers, negotiating for the best pricing & performing cost saving & profit margin analysis. All suppliers supply the material as per Purchase Orders and subsequent supply schedules issued by the Company. There is no tie up/ agreement apart from the Purchase Orders issued by the Company. Most of them are company's regular suppliers and have been supplying regularly on the basis of our requirement and as per its drawings, specifications and Purchase Orders.

The promoters have a long-standing background in this industry for over two decades. The procured raw materials go through various testing and inspection process before further used in casting, machining or assembling. The company has laid down a well-documented system for sourcing and traceability of the raw materials from factory to finished product.

Utilities

Water

Water is used for general washing purposes in our manufacturing activities. To ensure adequate supply of water, bore wells have been dug &installed within our processing units for supply of water in addition to the routine sources of water.

Power

Our operations involve a significant amount of electricity during our manufacturing operations. We depend on State electricity supply for our power requirements. We also use diesel generators to meet exigencies and to operate our plant during power failures.

Certifications

Our company has been certified as confirming to ISO 9001:2015 Quality Management System.

Collaborations

At present, we have not entered into any financial or technical collaboration with any entity.

Research & Innovation center

We are equipped with specialist engineers & updated technology to provide customized solutions to our customers. The main thrust of the R&D function is to accelerate innovation and maximize the value for each product designed to provide economic benefit to customers at large. The highly skilled and experienced man power developed products ranging from 16 HP to 110 HP catering to both domestic and international markets. The product undergoes through multiple checkpoints for quality assurance before they go for production. Some of our key achievements in R&D:

- Indigenization of technology, for manufacture of high-grade tractor engines for our 2-series tractors, obtained initially from Ursus, Poland.

- Development of two new indigenous engines, i.e. 3-cyliner and 4-cyliner, used in our 3-series tractor and crane models.

- Design of re-entrant type combustion chamber in all engines for better combustion through proper air fuel mixing, resulting in low fuel consumption.

Product Support

The Company provides product support through a wide network of dealers and offices equipped with genuine parts and availability of company trained engineers. Our dealer network for tractor currently stands at 140 numbers spread across various states. Our dealerships are fully equipped for Sales, Service & Spares. For the crane division, we have 20 dealers who are responsible for Sales, Service and spares and around 15 other dealers who only stock spare parts to ensure easy and timely part availability. Every State is divided into Area offices and is headed by an industry professional with inline experience. An area office comprises of State Head, Territory business managers, Delivery masters & service engineers. The lean structure in our organization helps us ensure immediate resolution of dealer & customer requirement. Our spare part division provides technical assistance and ensures smooth spare part supply to our sale & service network.

Capacity & Capacity Utilization

Installed & Capacity utilization details of our production facilities for the last three financial years are entailed below:

Sr.No	Particulars	Existing Installed Capacity in Units per Annum	Details of Capacity for the year ended March 31,					
			2023		2022		2021	
			Installed	Utilised	Installed	Utilised	Installed	Utilised
1	Tractors	12,000	12,000	3,555	12,000	5,004	12,000	3,039
2	Cranes	720	720	679	720	484	720	465

Customer Base

We majorly sell our products to dealers who in turn sell it to end customers. The portfolio of our dealers is much diversified and the revenue from top 5 dealers contributes to only 11.85% for FY 2022-2023 and 14.13% for the FY 2021-2022. The percentage of revenue from manufactured products derived from our top dealers in the Financial Year ended 2022-23 and Financial Year 2021-22 is given below:

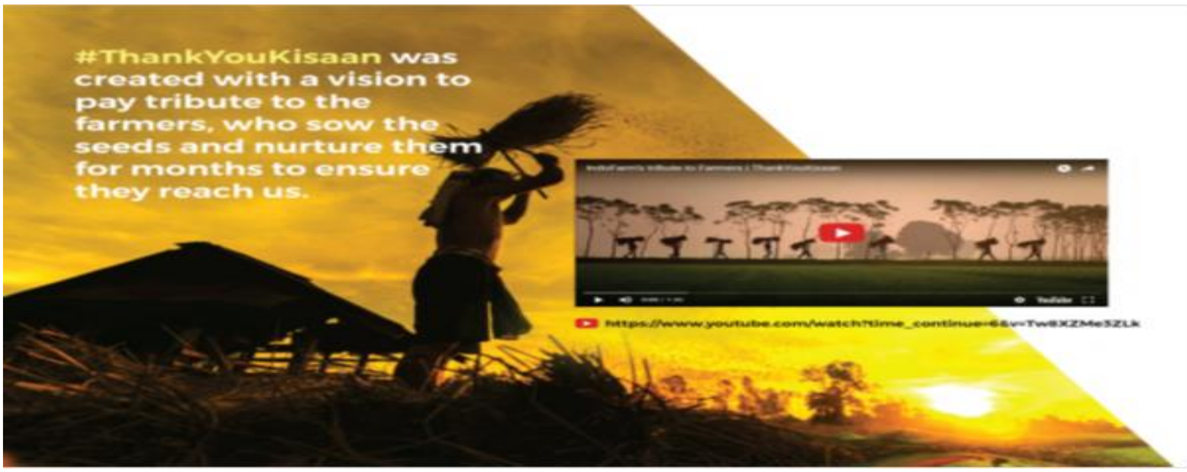
(Rs in Millions)

Sr.No	Particulars	FY 2022-23		FY 2021-22	
		Revenue	(%)	Revenue	(%)
1	Income from Top 5 Dealers	410.43	11.85	467.38	14.13
2	Income from Top 10 Dealers	683.94	19.73	781.82	23.63

We constantly try to address the needs of our dealers for maintaining a long-term working relation with the customers, in order to get continuous business.

Marketing & Distribution

Consumers are exposed to a large variety of advertising and marketing efforts by agricultural equipment and crane industry participants, including large expenditures on television, radio, print media, online and social media, billboards as well as at events and other promotions. Accordingly, our business is also dependent on customers' perception of our brands and these advertising and marketing campaigns. Therefore, we have also implemented several initiatives to create brand awareness in order to consolidate our market position in the farm equipment industry such as social media campaigns, customer and dealer testimonials, product demonstrations and customer/mechanic meet ups. Our recent campaign "#ThankYouKissan" was created with a vision to pay tribute to the farmers.



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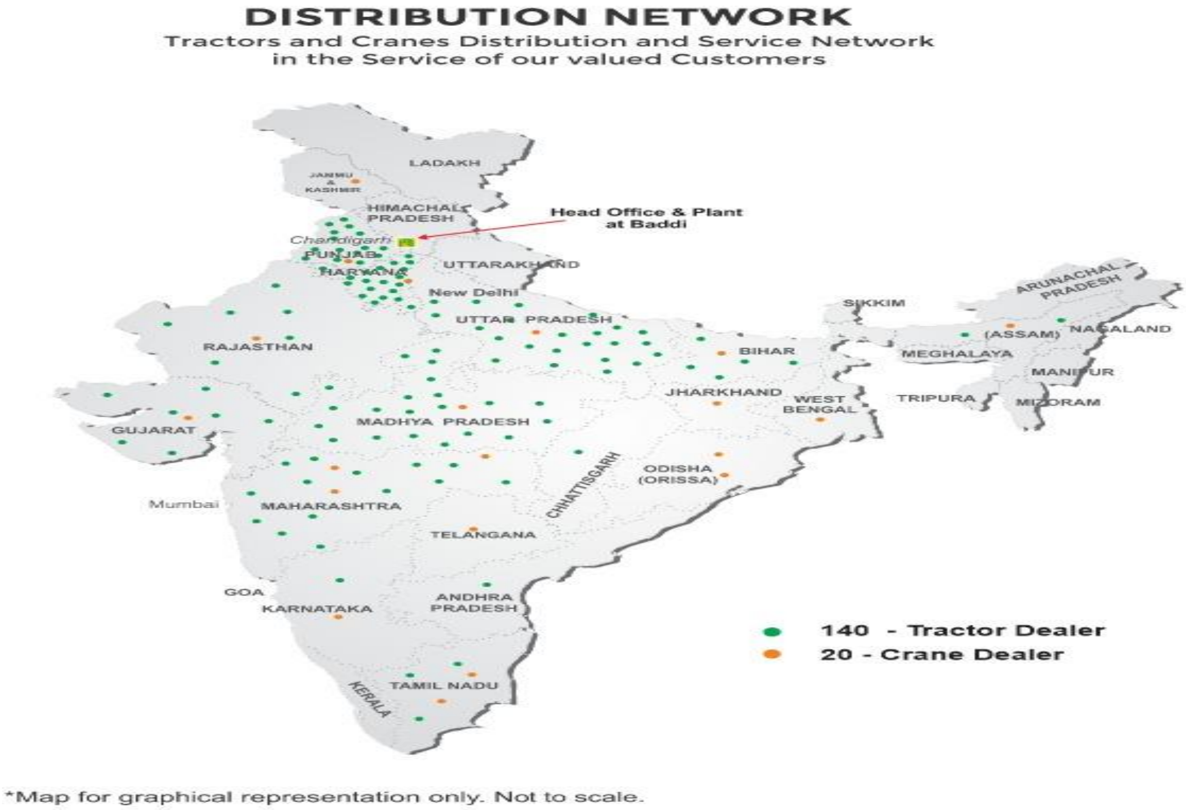
We intend to continuously engage with marketing agencies in order to increase our product awareness.

Majority of our products are sold through dealer network chain. We have around 140 and 20 dealers for tractor and cranes respectively and other 15 dealers for services and stock spare parts. Further we have plans to increase our dealer base to 500 in the next three years as we look to ramp up our production and sales after infusion of fresh equity capital. We follow a proper dealer appointment process which includes dealer survey and checklist. To further compliment & grow our business we have launched our In house Finance Company named "Barota Finance Limited". Easy finance facilities enable our customers to purchase our products. Furthermore we have tied up with some of the leading banks to be able to reach target customers. With this we can be part of every farmer's dream of owning a world class tractor being fulfilled. We also participate in many government / institutional tenders through GEM portal which is directly managed by Head office. Government orders & business is done through our team at Head office.



Strategies for Tractors and Cranes division are given below:

Tractors

Our Tractors are available by the brand name "INDO FARM". We are focused on two core strategies-

At macro level - to expand our network of dealers.

We currently have a network of 140 dealers spread across various states. At present we are selling tractors completely through our dealer network. We support our dealer to have adequate infrastructure, fund flow, man power and generate demand for them, thereby enabling them to be fully equipped for Sales, Service & Spares. We intend to create stronger presence of our products and services in every corner of the country and have wider reach to cover overseas market.

And, at micro level- to focus in increasing the sales and gain market share

The company has tractor ranges from 16 to 100 horsepower. Our rigorous focus in Research & development has led to successfully developing tractor to fulfill every farming need in the country and also specific to our export markets. Every state is divided into Area offices and is headed by an industry professional with minimum 15 years of trade experience. An area office comprises of State Head, Territory Business Managers, Delivery Masters and Service Engineers. The lean structure in our organization helps us ensure immediate resolution of dealer & customer requirement. Our spare part division provides technical assistance and ensures smooth spare part supply to our sale & service network.

Cranes

Our Cranes are available by the brand name "INDO POWER" is having wider range of Pick & Carry Cranes in the country. Currently we are selling these products through 3 channels viz direct sales, through dealer network and to Government / institutions through tenders. For direct sales we are having a qualified team of around 40 people who are responsible for both sales and service. We have 15 dealers who are responsible for 3S i.e. Sales, Service and spares facility and around 20 other dealers for 2S facility who provide company approved services and stock spare parts to ensure easy and timely parts availability.

Further, we intend to leverage traditional channels such as broadcast and print media to grow our brand awareness and intend to appoint brand ambassadors going forward to endorse our products. We will continue to focus on our initiatives for customer engagement to improve dealer servicing levels and implement additional loyalty schemes. We are continuously engaging with additional dealers and increasing our network of dealership. We have dedicated project marketing team to identify and bid for new projects as well as to undertake marketing activities to hold a greater market share. With the smooth flow of funds in the business we can separately allocate some funds for the marketing and distributing set up and initiatives. These programs will impact our operations, particularly our sales in additional region and overseas.

Export Obligations

Except as mentioned below, we do not have any export obligations as on the date of this Draft Red Herring Prospectus:

Name of the Company	Particulars of the Transaction	Export Obligation Amount & Timeline
Indo Farm Equipment Limited	The company has Imported Capital goods taking benefit of Export Promotion Capital Goods (EPCG) Scheme which was introduced under Chapter 5 of the Foreign Trade Policy (FTP) by the Directorate General of Foreign Trade (DGFT) &Customs wherein the payment of duty under Customs Act, 1962 is exempted provided the company fulfills an Export Obligation to Export goods worth six times the Import duty. Import duty saved being ₹ 6.03 million	₹ 37.00 Mn worth of products to be exported before October 2024.

DETAILS OF OUR NBFC SUBSIDIARY – BAROTA FINANCE LIMITED

In 2017, with a vision to create a fully integrated eco-system in the life-cycle of a Tractor and in order to provide an easy in-house finance option to our buyers, we forwardly integrated and started a wholly owned subsidiary NBFC.
Our wholly owned subsidiary operates by the name of Barota Finance Limited is a RBI registered (Non-Deposit Taking Non Systematically Important) NBFC, bearing registration No. B-06.00606.

This company is primarily in the business of financing the tractors which are sold by our company and also finances other pre-owned vehicles of other brands as well. We believe that we have over the years created a fully integrated eco-system for ensuring high quality products and financial support for our customers. Easy in-house finance facilities enable our customers to purchase our products with ease of finance.

These loans assist in acquiring tractors with ease. We offer flexible repayment options. Loan amounts and terms are customized to each borrower's need ensuring a perfect fit for every farmer. Further, we also provide trade advances on interest to dealers of Indo Farm Equipment Limited from time to time. The value of trade advances as on March 31, 2023 stood at Rs. 37.26 million.

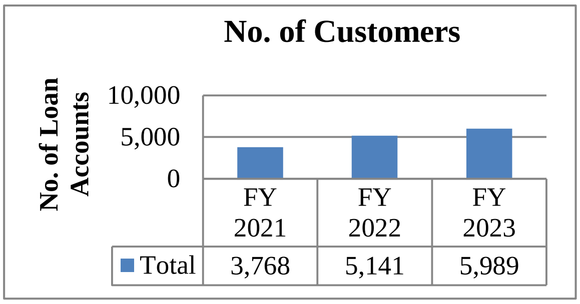
The key business details of this company are as entailed below:

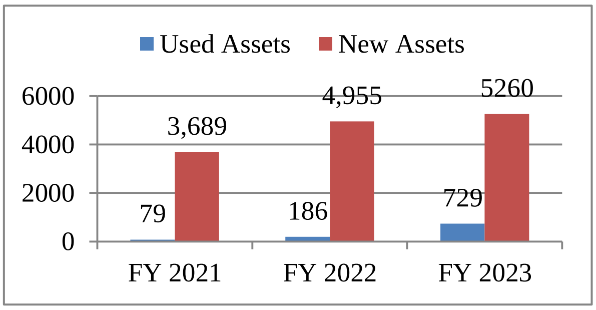
Details of loan Portfolio (Vehicle Finance)

- As on March 31, 2023, our company had a total Loan Book (Vehicle Finance) of Rs. 1,500.51 million and served over 5,900 active customers. The details of our NBFC Loan Portfolio (Vehicle Finance) for the last three years are as below:

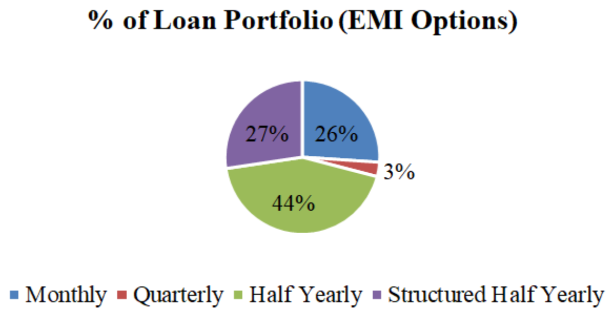
(₹ in millions)

Particulars	FY 2021		FY 2022		FY 2023	
	No. of Customers	Amount	No. of Customers	Amount	No. of Customers	Amount
Used Assets	79	13.18	186	35.74	729	152.87
New Assets	3,689	1,133.51	4,955	1,428.72	5260	1,347.65
Total	**3,768**	**1,146.69**	**5,141**	**1,464.46**	**5,989**	**1,500.51**





- Since, we offer flexible repayment options. Loan amounts and terms are customized to each borrower's need ensuring a perfect fit for every farmer. Our loan portfolio is well divided into different EMI plans as explained below:



- We have a strong asset quality and track record. The percentages of NPA's are well below the industry average. Our Gross and net NPA for the last three years are as mentioned below:

(Rs in millions)

Particulars	FY 2021		FY 2022		FY 2023	
	NPA	%age	Amount	%age	Amount	%age
Gross NPA	32.45	2.78%	43.79	2.96%	50.12	3.26%
Net NPA	26.41	2.27%	38.59	2.62%	41.72	2.71%

For details of BFL's registered address, board of directors and key financial details, please refer to chapter titled "*Our Subsidiaries*" beginning on page 166 of this Draft Red Herring Prospectus.

HUMAN RESOURCES

Our Board of Director is supported by a dedicated and diverse human resource pool available to our company.

As on June 30, 2023, we had 678 and 886 employees on our payroll on a standalone and consolidated basis respectively. The following table sets forth the breakup of our human resource pool:

Particulars	Indo-Farm	Barota Finance	Consolidated
Production / R&D Team (on Rolls)	461	-	**461**
Sales and Marketing Team	182	185	**367**
Finance, Admin and others	35	23	**58**

Particulars	Indo-Farm	Barota Finance	Consolidated
Total	**678**	**208**	**886**

Further we also employ contract labor for our factory operations. As on June 30, 2023, our contracted labor force is 396 on a standalone as well as on consolidated basis.

INTELLECTUAL PROPERTIES

As on the date of this Draft Red Herring Prospectus, we have 15 registered trademarks in the name of our company for which we have obtained valid registration certificates under various classes under the Trademarks Act in India.

Further the trademark 'BAROTA' is registered in the name of our subsidiary Barota Finance Limited.
Trademarks registered under Indo Farm Equipment Limited:

Sr. No.	Trade Mark	Certificate/ Application No.	Class	Status	In the Name of :	Valid till
1	INDO FARM	988449	Class 12	Valid	Indo Farm Equipment Limited	06-02-2031
2	INDO POWER	5089891	Class 7	Valid	Indo Farm Equipment Limited	15-08-2031
3	INDO POWER	2682586	Class 7	Valid	Indo Farm Industries Limited	18-02-2024
4	INFRA POWER	3356251	Class 7	Valid	Indo Farm Equipment Limited	06-09-2026
5	NAM FARM	3356254	Class 12	Valid	Indo Farm Equipment Limited	06-09-2026
6	INDO SHAKTI	5394152	Class 7	Valid	Indo Farm Equipment Limited	01-04-2032
7	2030 DI	1526980	Class 12	Valid	Indo Farm Equipment Limited	31-01-2027
8	2035 DI	1526981	Class 12	Valid	Indo Farm Equipment Limited	31-01-2027
9	2040 DI	1526982	Class 12	Valid	Indo Farm Equipment Limited	31-01-2027
10	3040 DI	1526986	Class 12	Valid	Indo Farm Equipment Limited	31-01-2027
11	3050 DI	1526987	Class 12	Valid	Indo Farm Equipment Limited	31-01-2027
12	3055 DI	1526988	Class 12	Valid	Indo Farm Equipment Limited	31-01-2027
13	3065 DI	1526989	Class 12	Valid	Indo Farm Equipment Limited	31-01-2027
14	Agricom	3356249	Class 12	Valid	Indo Farm Equipment Limited	06-09-2026
15	INDO FARM	3356248	Class 37	Valid	Indo Farm Equipment Limited	06-09-2026

Trademark registered under our subsidiary Barota Finance Limited:

Sr.No	Trade Mark	Certificate/Application No.	Class	Status	In the Name of	Issuance date
1	BAROTA	3694094	Class 36	Valid	Barota Finance Limited	12-05-2018

PROPERTIES

Material Properties

- Our Company and our subsidiary's Registered Office is situated at SCO 859, NAC, Manimjara, Chandigarh-160101. The same is taken on lease from our director on a monthly rent of Rs. 1.00 lac. The agreement is valid upto May 31, 2024.

- Our Manufacturing Units are located on Lands allotted to us on an leasehold basis for 95 years by Himachal Pradesh Government situated at Export Promotion Industrial Park (EPIPP), Phase II, Baddi, Himachal Pradesh admeasuring a total of 1,27,840 sq. mtrs.

- The proposed capacity expansion project for the Pick and Carry Crane business is to be set up on lands allotted to us on an leasehold basis for a period of 95 years by the Himachal Pradesh State Industrial Development Corporation and is located at Plot No. 1, Industrial Area Malkumajra (Near Bhud), Baddi, District Solan, Himachal Pradesh admeasuring 1,12,950 sq. mtrs.

Other Properties

- We own on a freehold basis a total of 3 acres of Land at Bhopal some of which is used as Stock Yard.
- We own our Regional Office i.e. 2 Plots measuring around 271 sq. mtrs in total at Sahara State, Chann, Bhopal.
- We own on a freehold basis a total 2,646 sq. mtrs of land at Baddi, Himachal Pradesh which is currently unused
- We own on a freehold basis an office property situated at Andheri (East), Mumbai admeasuring 122.16 sq. mtrs. This is leased out to a Multi-national company under Leave & License agreement.
- We have lease hold land at Industrial Area Kirpalpur, Solan, Himachal Pradesh admeasuring a total of 1,12,950 sq. mtrs.. The same is proposed to be utilized for setting up an Auto ancillary park.
- We also have a free hold land admeasuring a total of 9.0 plus acre at Manaktabra, The-Raipur Rani, Dist-Panchkula. Haryana which is currently unused

Further, we have taken offices at rent at Visage, Pune, Gurugram, Jhansi, Patna, Gorakpur and Lucknow. The same are taken on a leave and license or rental basis and we pay monthly rent/lease payments for the same. We have obtained a 10,000 sq. ft. stock yard at Pune on rental basis. Further, we have obtained certain guest houses for our sales and marketing staff from time to time on a monthly rental basis.

INSURANCE

We maintain insurance coverage that we consider is necessary for our business. We maintain insurance policies that insures against material damage to our manufacturing set up, employee accidents and medical issues and office infrastructure. These include Fire and Standard Perils, Marine Cargo, Burglary, Workmen compensation, Commercial Vehicle Mo Trade Road Tran Risks, Group Mediclaim etc.

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to businesses undertaken by our Company and our Subsidiary. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by our Company in compliance with these regulations, see *"Government and Other Statutory Approvals" on page 306 of this Draft Red Herring Prospectus.*

Our Company is engaged in the business of manufacture of Tractors, Pick & Carry cranes and other farm equipments. Our Subsidiary is engaged in the business of offering loans for purchasing Commercial Vehicles. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our Company's and Subsidiary's businesses. Our Company and Subsidiary are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by our Company and our Subsidiary:

A. KEY REGULATIONS APPLICABLE TO OUR COMPANY

1. *The Factories Act, 1948*

The Factories Act, 1948 **("Factories Act"')** seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. The Factories Act requires that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory, such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

2. *The Customs Act, 1962 and the Customs Tariff Act, 1975*

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code number. The Customs Tariff Act, 1975 provides the rates at which duties of customs will be levied under the Customs Act, 1962.

3. *Legal Metrology Act, 2009*

The Legal Metrology Act, 2009 **("the Legal Metrology Act")** replaces the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology 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 and for matters connected therewith or incidental thereto. The Legal Metrology Act inter-alia requires any person who manufactures, repairs or sells, or offers, exposes or possesses for repair or sale, any weight or measure, to obtain a license issued by the Controller of Legal Metrology. It has been clarified that no license to repair is required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Legal Metrology Act inter-alia provides that any person who is required to obtain a license under the Legal Metrology Act or the rules made thereunder, repairs or sells, or offers, exposes or possesses for repair or sale, any weight or measure, without being in possession of a valid license, will be punished in the first instance with fine and for a subsequent offence, with imprisonment and/or fine.

4. ***Motor Vehicles Act, 1988 read with Central Motor Vehicle Rules, 1989***

Motor Vehicles Act, 1988 read with Central Motor Vehicle Rules 1989 ("Motor Vehicle Laws") aims to ensure quality, safety and performance standards in relation to any part, component or assembly to be used in the manufacture of an automobiles. In 2019, by way of an amendment, Central Government has introduced a mandatory recall provision for automobiles if any defects were found in the vehicle or a component of the vehicle, which were harmful to the environment, driver or occupant or road users or defects which are reported to the Central Government.

5. ***The Petroleum Act, 1934 ("Petroleum Act"), Petroleum Rules, 2002 ("Rules, 2002") and Petroleum and Explosives Safety Organisation ("PESO")***

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

The PESO certification and registration of India is the mandatory approval program for the oil and gas industry or products that work with gases are used in the oil industry, or that has to withstand very corrosive environments. PESO's major work is to administer the responsibilities delegated under the Explosives Act, Petroleum Act and the Rules, 2002.

6. ***Bureau of Indian Standards Act, 2016 ("BIS Act")***

The BIS Act provides for the establishment of the Bureau of Indian Standards ("BIS") for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

7. ***The Indian Boilers Act, 1923***

Under the provisions of the Indian Boilers Act, 1923 **("Boilers Act")**, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act provides for inter alia the safety of life and property of persons from the danger of explosions of steam boilers and regulates the possession of steam boilers. It sets out the requirements for achieving uniformity in registration and inspection during operation and maintenance of boilers in India and provides for penalties for illegal use of boilers. It also prescribes standard requirements with respect to material, construction, safety and testing of boilers.

8. ***Electricity Act, 2003***

The Electricity Act, 2003 **("Electricity Act")** was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the

State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid.

9. ***The Batteries (Management and Handling) Rules, 2001 ("Batteries Rules")***

The Batteries Rules apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. The Batteries Rules provides that it shall be the responsibility of a manufacturer, importer, assembler and re-conditioner to, inter alia, ensure that the used batteries are collected back against new batteries sold as per the applicable law and to ensure that used batteries collected back are of similar type and specifications as that of the new batteries sold. In addition, the manufacturer, importer, assembler and re-conditioner is also required to file half yearly returns of their sales and buy-back to the State Pollution Control Board in Form-I latest by June 30 and December 31 of every year, set up collection centres for collection of used batteries from consumers or dealers, ensure that used batteries collected are sent only to the registered recyclers, ensure safe transportation and create public awareness through advertisements and publications of hazards of lead, addresses of dealers and designated collection centres etc. As per the Batteries Rules, every dealer is required to file half-yearly returns of the sale of new batteries and buy-back of old batteries to the manufacturer in Form V by 31st May and 30th November of every year.

10. ***Foreign Trade (Development and Regulation) Act, 1992***

In India, the main legislation concerning foreign trade is Foreign Trade (Development and Regulation) Act, 1992 **("FTA")**. The FTA read along with relevant rules 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. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/ divisions/ units/factories.

B. KEY REGULATIONS APPLICABLE TO OUR SUBSIDIARY:

1. ***The Reserve Bank of India Act, as amended (the "RBI Act")***

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in anyother manner, or lending in any manner; or (c) such other non-banking institution or class of such institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A company categorized as an NBFC is required to have a net owned fund of ₹ 25 lakhs or such other amount, not exceeding ₹ 100 Crores, as the RBI may, by notification in the official gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC.

Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared by such company. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

2. ***Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended (the "Master Directions")***

Applicability

The Master Directions are applicable to the following categories of NBFCs ("**Applicable NBFCs**"):

i. Non-systemically Important Non-Deposit taking Non-Banking Financial Company ("**NBFC-ND-NSIs**") registered with the RBI under the provisions of the RBI Act;

ii. Non-Banking Finance Company – Micro Finance Institutions ("NBFC-MFI") registered with the RBI under the provisions of the RBI Act and having an asset size of below ₹ 50,000 lakhs;

iii. NBFC-Factors (as defined in the Master Directions) and registered under Section 3 of the Factoring Regulation Act, 2011, as amended, having an asset size of below ₹ 50,000 lakhs;

iv. NBFC – Infrastructure Finance Company ("NBFC-IFC") (as defined in the Master Directions) registered with the RBI under the provisions of the RBI Act, having an asset size of below ₹ 50,000 lakhs.

Acquisition or Transfer of Control

Applicable NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the Applicable NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation.

Prudential Norms

The leverage ratio of an applicable NBFC (except NBFC-MFIs and NBFC-IFCs) shall not be more than 7, at any point of time.
In respect of NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% of more of their financial assets) they shall maintain a Tier I capital of 12%.

Liquidity Risk Management Framework and Liquidity Coverage Ratio Liquidity Risk Management Framework

Applicable non-deposit taking NBFCs are required to adhere to the liquidity risk management guidelines prescribed under the Master Directions. The guidelines, *inter alia*, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, framework for stress testing, liquidity planning under alternative scenarios, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

Asset Classification and Provisioning Norms

All applicable NBFCs (except NBFC-MFIs) are required to adopt the asset classification and provisioning norms as set forth below:

<u>Asset Classification</u>

i. a "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; and

ii. a "sub-standard asset" means (a) an asset which has been classified as non-performing asset for a period not exceeding 18 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the Master Direction.

iii.a “doubtful asset” means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 18 months.

iv.a “loss asset” means (a) an asset which has been identified as loss asset by an Applicable NBFC or its internal or external auditor or by the RBI during the inspection of the Applicable NBFC, to the extent it is not written off by the Applicable NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

v.a “non-performing asset” means: (a) an asset for which interest or principal payment has remained overdue for a period of six months or more; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more; (c) a demand or call loan, which remained overdue for a period of six months or more from the date of demand or call or on which interest amount remained overdue for a period of six months or more; (d) a bill which remains overdue for a period of six months or more; (e) the interest in respect of a debt or the income on receivables under the head ‘other current assets’ in the nature of short term loans/advances, which facility remained overdue for a period of six months or more; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of six months or more; (g) the lease rental and hire purchase instalment, which has become overdue for a period of twelve months or more; (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes nonperforming asset. Provided that in the case of lease and hire purchase transactions, an Applicable NBFC is required to classify each such account on the basis of its record of recovery.

Provisioning Norms

In addition to provisioning norms under applicable accounting standards, and under the Master Directions, all Applicable NBFCs (except NBFC-MFIs) are required to, after taking into account the time lag between an account becoming nonperforming, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets as provided hereunder:

Sr. No.	Provisioning Requirement		
1.	**Loans, advances and other credit facilities including bills purchased and discounted**		
	(i) Loss Assets	The entire asset is to be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding is to be provided for.	
	(ii) Doubtful Assets	(a) 100% provision to the extent to which the advance is not covered by the realizable value of the security to which the Applicable NBFC has a valid recourse is to be made. The realizable value is to be estimated on a realistic basis. (b) In addition to (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e., estimated realizable value of the outstanding) is to be made on the following basis –	
		Period for which the asset has been considered as doubtful	**Per cent of provision**
		Up to one year	20%
		One to three years	30%
		More than three years	50%
	(iii) Sub-standard Assets	A general provision of 10% of total outstanding is to be made.	

Standard Asset Provisioning

All Applicable NBFCs are required to make provisions for standard assets at 0.25% of the outstanding, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross (i) Applicable NBFCs are required to separately disclose in their balance sheets the provisions made, as advances but are required to be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the Applicable NBFCs.

Balance Sheet Disclosures prescribed under the Master Directions, without netting them from income or against the value of assets.

(i) The provisions are to be distinctly indicated under separate heads of account as:

   (a) Provisions for bad and doubtful debts; and

   (b) Provisions for depreciation in investments.

(ii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the Applicable NBFC.

(iii) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.

Regulation of Excessive Interest Charged by NBFCs

(i) The board of directors of each Applicable NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

(ii) The rates of interest and the approach for gradation of risks are also required to be made available on the website of the Applicable NBFCs or published in the relevant newspapers. The information published in the website or otherwise published is required to be updated whenever there is a change in the rates of interest.

(iii) The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. The board of directors of Applicable NBFCs are required to layout appropriate internal principles and procedures in determining interest rates and processing and other charges.

Accounting Standards

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by NBFCs insofar as they are not inconsistent with any of the provisions of the Master Directions.

Fair Practices Code

All Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the Master Directions. The Master Directions stipulate that such fair practices code should cover, inter alia, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The Master Directions also prescribe general conditions to be observed by Applicable NBFCs in respect of loans, and requires the board of directors of Applicable NBFCs to lay down a grievance redressal mechanism. Such fair practices code should preferably be in vernacular language or language understood by borrowers of the Applicable NBFCs.

Further, all Applicable NBFCs are to frame internal guidelines on corporate governance, enhancing the scope of the guidelines without sacrificing the underlying spirit of the guidelines stipulated in the Master Directions. The guidelines framed are required to be published on the NBFC's website for the information of various stakeholders.

3. ***Prevention of Money Laundering Act, 2002 ("PMLA")***

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation of records and reporting of transactions.

4. ***Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ("SBR Framework")***

The RBI released the SBR Framework i.e. Framework for Scale Based Regulation for Non-Banking Financial Companies dated October 22, 2021 and put in place a revised regulatory framework for NBFCs. The SBR Framework contemplates the following layers of NBFCs:

i. Base Layer: The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹1000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

ii. Middle Layer: The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFC-Ds), irrespective 223 of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

iii. Upper Layer: The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

iv. Top Layer: The Top Layer will ideally remain empty. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer.

The Revised Regulatory Framework for NBFCs also prescribes specific regulatory changes for each of the different layers in the regulatory structure, that is, capital guidelines, prudential guidelines, governance guidelines and the transition path

5. ***Master Direction (Know Your Customer) Directions, 2016 dated February 25, 2016, as amended (the "KYC Directions")***

The KYC Directions require regulated entities (as defined in such directions) to follow certain customer identification procedures while undertaking a transaction. These directions are applicable to every entity regulated by RBI, including scheduled commercial banks, regional rural banks, local area banks, primary (urban) co- operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non- banking companies and residuary non-banking companies, amongst others. Every entity regulated thereunder is required to adopt a 'know your customer' ("**KYC**") policy, duly approved by its board of directors, which shall include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. Regulated entities are required to ensure compliance with the KYC policy through specifying 'senior management' for the purposes of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of compliance with KYC and anti-money laundering policies and procedures, including legal and regulatory requirements; concurrent/internal audit system for compliance to verify compliance with KYC and anti-money laundering; and submission of quarterly audit notes and compliance to the audit committee of the board of directors of the regulated entity.

6. ***Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016 ("Returns Master Direction")***

The Returns Master Direction lists detailed instructions in relation to submission of returns prescribed by the RBI for various categories of NBFCs, including their periodicity, reporting time, due date, and the purpose of filing such returns.

7. ***Master Direction - Information Technology Framework for the NBFC Sector Directions, dated June 8, 2017 ("IT Framework Directions")***

The IT Framework Directions have been notified with the view of benchmarking the information technology/information security framework, business continuity planning, disaster recovery management, information technology ("**IT**") audit and other processes to best practices for the NBFC sector. Non-systemically important NBFCs (i.e., NBFCs with an asset size of below ₹ 50,000 lakhs) are required to comply with the IT Framework Directions by September 30, 2018. The IT Framework Directions recommends that smaller NBFCs may start with developing basic IT systems mainly for maintaining the database and formulation of a board approved IT policy.
In addition to the above IT Framework Directions, we are also required to comply with the Information Technology Act, 2000, as amended, and the rules framed thereunder.

8. ***Master Direction – Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Auditor's Report Directions")***

The Auditor's Report Directions set out disclosures that are to be included in every auditor's report on the accounts of *an NBFC such* as: (i) the validity of such NBFC's certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (ii) compliance with net owned fund requirements as laid down in the Master Directions.

9. ***Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017 ("Outsourcing Directions")***

The Outsourcing Directions specify the activities that cannot be outsourced and provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the Outsourcing Directions is required to formulate an outsourcing policy which is to be approved by its board of directors.

10. ***Circular dated June 24, 2021 on Declaration of Dividends by NBFCs ("Dividend Circular")***

The Dividend Circular specifies, inter alia, certain minimum prudential requirements (relating to its capital adequacy, net NPA and other criteria) for an NBFC to be eligible to declare dividend, the maximum permissible dividend payout ratio, the considerations to be taken into account by the board of directors of an NBFC while considering the proposal to declare dividend (such as supervisory findings of the RBI on divergence in classification and provisioning of NPAs, qualifications in the auditors' report to the financial statements, and long term growth plans) and the manner of reporting details of dividends declared. The Dividend Circular will be applicable to NBFCs for the declaration of dividends from the profits of the financial year ending March 31, 2022 and onwards.

11. ***Master Circular dated April 3, 2023 on Bank Finance to Non- Banking Financial Companies***

The circular lays down RBI's regulatory policy regarding financing of NBFCs by banks. The circular specifies, inter alia, certain guidelines for bank finance to NBFCs registered with RBI and bank finance to NBFCs not requiring registration. The circular further specifies activities which are not eligible for bank credits (such as certain bills discounted/rediscounted by NBFCs, investments of NBFCs both of current and long-term nature) and other prohibitions on bank finance to NBFCs. The aforesaid circular also prescribes the prudential ceilings for exposure of banks to NBFCs.

12. ***The Ombudsman Scheme for Non-Banking Financial Companies, 2018 (the "Ombudsman Scheme")***

The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of certain services rendered by particular categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith.
The Ombudsman Scheme, inter alia, establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed by the ombudsman.

Further, the RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme with the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019 under the 'One Nation One Ombudsman' approach for grievance redressal. This is intended to make the process of redress of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point. The scheme was rolled out in June, 2021.

C. ENVIRONMENTAL LAWS APPLICABLE TO OUR COMPANY

1. *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.

2. *The Water (Prevention and Control of Pollution) Act, 1974*

The Water (Prevention and Control of Pollution) Act, 1974 **("the Water Act")** prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board **("State PCB")**. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

3. ***The Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 **("the Air Act")** requires that any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent. The Air Act prescribes penalties for contravention in terms of fine, imprisonment or both.

4. *Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 (the "Hazardous Wastes Rules")*

The Hazardous Waste Rules define the term "hazardous waste" and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an "occupier". In terms of the Hazardous Waste Rules, occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

D. OTHER PLANS AND POLICIES APPLICABLE TO THE COMPANY

1. *The Automotive Mission Plan, 2016-2026 ("Automotive Mission Plan")*

The Automotive Mission Plan, 2016-2026 was released by the Department of Heavy Industry jointly with Indian Automobile Industries in September 2015, and it seeks to define the path of evolution of the automotive ecosystem in India including specific regulations and policies that govern research, design, technology, testing, manufacturing, imports/exports, sales, use, repair, and recycling of automotive vehicles, components and services The Automotive Mission Plan aims to achieve various objectives including inter alia, to make the Indian automotive industry a top job creating industry and the prime mover of manufacturing sector as well as of the "Make in India" programme, and to promote safe, efficient and comfortable mobility, with an eye on environmental protection and affordability through both public and personal transport options. The Automotive Mission Plan seeks to impose norms pertaining to auto fuels and emissions, inspection and certification among others. The plan recognises the need of an articulate system to ensure that the vehicles are complaint with the global standards of safety. Under the Automotive Mission Plan, specific interventions are envisaged to sustain and improve manufacturing competitiveness and to address challenges of environment and safety.

2. *Electric Vehicle Policy*

The ever-increasing vehicular population has been a concerning issue. Vehicles driven on traditional fuels form a major contributor of hazardous components to the environment. Further to the rapid depletion of fossil fuels, industries are shifting to eco-friendly technologies. The Central Government launched the Phase I of the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME-India) Scheme in India ("**FAME Scheme**") in 2015 under the National Electric Mobility Mission Plan, 2020 with an aim to promote eco-friendly vehicles in the country. Pursuant to the FAME Scheme, the state governments launched their respective electric vehicle policies ("**EV Policies**"). Certain states have made provisions for various percentages of subsidies that may be availed by the buyers of these vehicles. The Phase I of the FAME Scheme was allowed up to March 31, 2019. Thereafter, the Central Government has approved the Phase II of the FAME Scheme for a period of three years commencing from April 1, 2019 and which got extended to 31 March 2024. The scheme was put in place to encourage faster adoption of electric and hybrid vehicle by way of offering incentives on purchase of electric vehicles.

3. *Bharat Stage (BS) VI Emission Standards ("BS-VI Standards")*

The Indian Ministry of Road Transport and Highways issued a draft notification of Bharat Stage (BS) VI emission standards for all major on-road vehicle categories in India in February 2016. The adoption of these standards seeks to bring the Indian motor vehicle regulations into alignment with European Union regulations for light-duty passenger cars and commercial vehicles, heavy-duty trucks and buses, and two-wheeled vehicles. Taking a leap from the Bharat Stage-V emission standards, these standards were enforced on April 1, 2020. The BS-VI Standards set forth emission standards, type approval requirements, on-board diagnostic system specifications, and durability levels for all major vehicle categories in India. Additionally, the BS-VI standards also have specifications for reference and commercial fuels.

E. EMPLOYEE AND LABOUR RELATED LEGISLATIONS APPLICABLE TO OUR COMPANY AND OUR SUBSIDIARY:

The various labour and employment related legislation that may apply to our Company and Subsidiary, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following:

(i) Contract Labour (Regulation and Abolition) Act, 1970;
(ii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
(iii) Employees' State Insurance Act, 1948;
(iv) Minimum Wages Act, 1948;
(v) Payment of Bonus Act, 1965;
(vi) Payment of Gratuity Act, 1972;
(vii) Payment of Wages Act, 1936;

(viii) Maternity Benefit Act, 1961;

(ix) Equal Remuneration Act, 1976;
(x) Employees' Compensation Act, 1923; and
(xi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government:

(a) Code on Wages, 2019

The Code on Wages regulates and amalgamates wage and bonus payments and subsumes four existing laws namely –the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employee. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.

(b) Code on Social Security, 2020

The Code on Social Security amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Worker'' Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund Organisation and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

(c) The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

(d) Industrial Relations Code, 2020

Industrial Relations Code consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

Shops and Commercial Establishments Legislation

We are governed by various shops and establishments legislations, as applicable in the States where we operate. These regulations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, and safety measures, and wages for overtime work.

F. TAX RELATED LAWS APPLICABLE TO OUR COMPANY AND OUR SUBSIDIARY:

1. *Income-tax Act, 1961*

Income-tax Act, 1961 **("IT Act")** is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

2. ***Central Goods and Services Tax Act, 2017***

The Central Goods and Services Tax Act, 2017 **("CGST Act")** regulates the levy and collection of tax on the intra- State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

3. ***Integrated Goods and Services Tax Act, 2017***

Integrated Goods and Services Tax Act, 2017 **("IGST Act")** is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

4. ***Professional Tax***

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 each State 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 incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. 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 person 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 person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

G. INTELLECTUAL PROPERTY LAWS APPLICABLE TO OUR COMPANY AND OUR SUBSIDIARY

The Trademarks Act, 1999

Under the Trademarks Act, 1999 **("Trademarks Act")**, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks **("the Registrar")**, is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

H. OTHER APPLICABLE LAWS APPLICABLE TO OUR COMPANY AND OUR SUBSIDIARY

1. *The Companies Act, 2013*

The Companies Act, 2013 **("Companies Act")** deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning, and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial, and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

2. *Consumer Protection Act, 2019 and the rules made thereunder*

The Consumer Protection Act, 2019 (the "Consumer Protection Act"), which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by 226 manufacturers, service providers and traders. The definition of "consumer" under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

3. *The Transfer of Property Act, 1882*

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 **("T.P. Act")**. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

4. *The Sale of Good Act, 1930*

The Sale of Goods Act, 1930 provides for the setting up of contracts where the seller transfers or agrees to transfer the title (ownership) in the goods to the buyer for consideration. It is applicable all over India. Under the act, goods sold from owner to buyer must be sold for a certain price and at a given period of time.

5. ***The Registration Act, 1908***

The Registration Act, 1908 **("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.

6. ***The Indian Contract Act, 1872***

The Indian Contract Act, 1872 **("Contract Act")** lays down the essentials of a valid contract, it provides a framework of rules and regulations that govern the validity, execution and performance of a contract and 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. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

7. ***The Specific Relief Act, 1963***

The Specific Relief Act, 1963 **("Specific Relief Act")** is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief 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.

8. ***Competition Act, 2002***

The Competition Act, 2002 **("Competition Act")** aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India **("Competition Commission")** which became operational from May 20, 2009, has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising, or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

9. ***Legislations pertaining to Stamp Duty***

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("**Stamp Act**") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments in the respective schedules of the respective legislations pertaining to stamp duty as applicable in the State. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

I. REGULATIONS REGARDING FOREIGN INVESTMENT APPLICABLE TO OUR COMPANY AND SUBSIDIARY

Foreign Exchange Management Act, 1999

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 **("FEMA")**, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, The Department for Promotion of Industry and Internal Trade **("DPIIT")**, Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment **("FDI Policy")**, with effect from October 15, 2020. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till October 15, 2020.

In terms of the 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 foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

Our Company is engaged in the activity of manufacturing tractors, pick & carry cranes and other farm equipments. The FDI Policy issued by the DIPP permits foreign investment up to 100% in the manufacturing sector under the automatic route. No approvals of the Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

As per the sector specific guidelines of the Government of India, foreign direct investment in NBFCs, carrying on activities approved for FDI, is subject to the conditions specified in Paragraph 3.8.3.1 of the FDI Policy. Pursuant to the FDI Policy an FDI of up to 100% of the paid-up equity share capital of our Subsidiary is permitted under the automatic route in our Subsidiary.

Further, downstream investments into our Subsidiary will be subject to the extant sectorial regulations and provisions of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of Our Company

Our Company was originally incorporated as "*Welcut Tools Private Limited*" on October 05, 1994 at Chandigarh as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P. & Chandigarh. Subsequently, the name of our Company was changed to "*Welcut Industries Private Limited*" vide special resolution passed by the shareholders of our Company in their meeting held on January 11, 1995 and a fresh Certificate of Incorporation consequent to the change of name was granted to our Company on February 21, 1995, by the Registrar of Companies, Punjab, H.P. & Chandigarh. Further, our Company was converted into Public Limited Company pursuant to special resolution passed by the shareholders of our Company in their meeting held on June 29, 1999 and the name of our Company was changed to "*Indo Farm Equipment Limited*" and a Fresh Certificate of Incorporation consequent upon conversion of Company to Public Limited dated July 05, 1999 was issued by Registrar of Companies, Punjab, H.P. & Chandigarh. Further, the name of our Company was changed to "*Indo Farm Tractors & Motors Limited*" vide special resolution passed by the shareholders of our Company in their meeting dated October 28, 2003 and as fresh Certificate of Incorporation was issued on October 30, 2003 by Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, the name of our Company was changed to "*Indo Farm Industries Limited*" vide special resolution passed by the shareholders of our Company in their meeting dated December 03, 2007 and a fresh Certificate of Incorporation was issued dated December 18, 2007 by Assistant Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. Subsequently, the name of our Company was changed to "*Indo Farm Equipment Limited*" vide special resolution passed by the shareholders of our Company in their meeting dated October 24, 2009 and a fresh Certificate of Incorporation was issued on November 04, 2009 by Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh.The Corporate Identification Number of our Company is U29219CH1994PLC015132.

Our Company has 9 Shareholders as on the date of filing of this Draft Red Herring Prospectus. For further information, please refer the chapter "*Capital Structure*" on page no. 65 of this Draft Red Herring Prospectus.

Corporate Profile of our Company

For information on our Company's business profile, activities, services and managerial competence, please see *"Our Management"*, *"Our Business"* and *"Industry Overview"* on page nos. 123, 96 and 96, respectively of this Draft Red Herring Prospectus.

Changes in the Registered Office of the Company since Incorporation

There has been no change in the Registered Office of our company since incorporation.

Main Objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of manufacturing, production, fabrication, assembling and to act as dealers, buyers and sellers, importers, exporters of all kinds and types of tractors, motor vehicles, harvesters, combines and their components, assemblies and spare parts.

2. To carry on the business of manufacturing, production, fabrication, assembling and to act as dealers, buyers and sellers, importers, exporters of all kinds and types of construction equipments, pick & carry cranes, backhoe loaders, lifting, handling, loading or unloading machinery and equipment and their components, assemblies and spare parts, metallurgists, wind mill machineries, mill wrights, machinists & mechanical engineers.

3. To carry on the business of manufacturing, production, fabrication, assembling and to act as dealers, buyers and sellers, importers, exporters of all kinds and types of Power Generation Sets and their components, engines, sub-assemblies and spare parts.

Amendments to the Memorandum of Association of our Company in last 10 Years

The following changes have been made in the Memorandum of Association of our Company in last ten (10) years:

Date of Meeting	Nature of Amendment
January 02, 2019	To align the provisions of the Memorandum of Association of the Company with the provisions of the Companies Act, 2013, our Company has substituted the existing Clause III (B) (The objects incidental or ancillary to the attainment of the main objects) with a new Clause III (B) (Matters which are necessary for furtherance of the objects specified in Clause III (A)) and delete the existing Clause III (C) i.e. the other objects in the Memorandum of Association of the Company.
January 31, 2022	Clause V of our Memorandum of Association was amended to reflect the increase in the authorised capital from ₹150,000,000/-divided into 15,000,000 Equity shares of face value of ₹10/-each to ₹250,000,000 divided into 25,000,000 Equity shares of face value ₹10/-each.
August 18, 2023	Clause V of our Memorandum of Association was amended to reflect the increase in the authorised capital from ₹250,000,000/-divided into 25,000,000 Equity shares of face value of ₹10/-each to ₹ 500,000,000 divided into 50,000,000 Equity shares of face value of ₹10/-each.

Major Events in the History of our Company

Year	Major Events / Milestone / Achievements
2000	Commencement of tractor production in Baddi, Himachal Pradesh with technical collaboration from Ursus, Poland.
2001	Launched Indo farm's first tractor model 2050 DI.
2005	Launched 3-series tractor range 3065DI, 3050DI, 3040DI and 3035DI.
2006	Began exporting engine parts to Ursus, Poland.
2007	Commenced production of our own Foundry division.
2008	Exported generator engines to UK company, Lister Pitter. Accredited with an ISO 9001:2008 certified Company.
2009	Commencement of production of Indo Power Green Gensets
2010	Started Production of harvester combines and also launched 75HP and 90 HP tractors.
2011	Initiated production of new generation crane model 16FN
2014	Launched Indo Power Pick and Carry cranes with the capacity of 18 tons and 23 tons.
2015	Initiated production of 26 HP 4x4 orchard tractors
2017	Launched our own subsidiary, Barota Finance Limited NBFC, for providing hassle-free and quick finance to our esteemed customers.
2019	Launched Indo power 30 FN crane.
2020	Launch of Indo farm 20HP and 100HP tractor.
2021	Launched 1026e tractor model for European market.
2022	Launch of Indo 3055 DI HT and 3060.DI HT tractor.
2023	Launch of Indo farm 3055 NV PLUS, 3065DI, 3075DI IN BS-IV and Indo Power pick and carry cranes of FN series (15, 18, 20, 23 and 30 tonne capacity in 2-wheel drive and 4 wheel drive variants) in BS-IV.

Year	Awards
2003	Ranbir Singh Khadwalia has been awarded "Bharti Entrepreneur of the year award by Bharti Centre Entrepreneurial Initiatives (BCEI).
2005	Ranbir Singh Khadwalia being awarded "Udyog Ratna Award 2005" presented by Shri Virbhadra Singh Hon'ble Chief Minister of Himachal Pradesh.
2012	We achieved the great Indian Tractor Journey from Baddi to Kanyakumari covering 28 cities and approximately 7000 kms.
2012	Indofarm tractor creates longest Himalayan expedition on tractor, covering 3623; kms in 14 days started from Baddi Solan, Himachal Pradesh at 7.30 pm on 23 May 2012 and returned at 11 am on 6 June 2012 having crossed 12 Himalayan passes including Khardungla pass (18380 ft).
2013	Recognised as Emerging brand in Agriculture Sector Award 2013 by ABP News.
2015	Anshul Khadwalia being awarded "CZARS of North -2015" by Hon'ble Deputy Chief Minister of Punjab.

Year	Awards
2016	Anshul Khadwalia being awarded "Zee Excellence Awards 2016 Excellence in Business" by Hon'ble Governor of Himachal Pradesh.
2016	Anshul Khadwalia being as Awarded "Young Achiever Award 2016" by Hon'ble Chief Minister of Punjab.
2017	Recognised as 50 most Influential Rural Marketing Professionals of India by World Brand Congress Asia.

Lock-Out and Strikes

Except for lockdown during Covid pandemic as per Central / State Government orders, we had not experience any lock-out or strikes during the preceeding five years from the date of this Draft Red Herring Prospectus

Significant Financial or Strategic Partnerships

Our Company has not entered into any significant financial or strategic partnerships except as entered in its normal course of business.

Time/Cost Overrun in Setting Up Projects

There has been no material time and cost overrun in setting up projects.

Capacity/Facility Creation, Location of Plants

For details regarding capacity/facility creation and location of plants of our Company, see "*Our Business*" beginning on page no.123 of this Draft Red Herring Prospectus.

Defaults or Rescheduling of Borrowings with Financial Institutions/Banks

There have not been any defaults or rescheduling of borrowings from financial institutions/banks or conversion of loans into equity by our Company.

Changes in the Activities of our Company during the Last Five Years

There have been no changes in the activities of our Company during the last five years which may have had a material adverse effect on the profits and loss account of our Company.

Acquisition of Businesses / Undertakings, Merger, Amalgamation or Revaluation of Assets in Last 10 Years

.Except for incorporating Barota Finance Limited (WoS), our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

Our Holding Company

We do not have a holding company as on the date of this Draft Red Herring Prospectus.

Our Associates

Our Company does not have any associate companies.

Our Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

Our Subsidiary

Barota Finance Limited is the WOS of our Company. For details with respect to our Subsidiary, please see the section entitled "*Our Subsidiaries*" beginning on page no. 166 of this Draft Red Herring Prospectus.

Shareholders Agreement and other Agreements

Our Company has not entered into any Shareholders Agreement or other agreements as on the date of this Draft Red Herring Prospectus.

Agreements with Key Managerial Personnel or a Director or Promoters or any Other Employee of the Company

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by key managerial personnel or a Director or Promoters or any other employee of our Company, 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 the dealings in the securities of our Company.

Guarantees Given by Promoters

As on the date of this Draft Red Herring Prospectus, no guarantee has been issued by Promoters except as disclosed in the "*Financial Indebtedness*" on page no.282 of this Draft Red Herring Prospectus.

Agreements with Strategic Partners, Joint Venture Partners and/or Financial Partners and other Agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

OUR SUBSIDIARY

Our Company has a 1 (One) Wholly Owned Subsidiary (WOS) as on the date of this Draft Red Herring Prospectus. Unless stated otherwise, information in relation to our Subsidiary is as on the date of this Draft Red Herring Prospectus. Except as stated below, our Company has no other subsidiary and is considered as "*Material Subsidiary*" as per the definition of SEBI (ICDR) Regulations, 2018 and SEBI (LODR) Regulations, 2015. Our WOS is a RBI registered Type-II NBFC-ND, Non-Deposit Taking Non Systematically Important Company, providing finances for new tractors, old tractors, trade in advance etc.

Set out below are details of our Subsidiary:

Barota Finance Limited (BFL)

BFL was incorporated on October 24, 2016 as a public limited company under the provisions of Companies Act, 2013 with the Registrar of Companies, Chandigarh. The Registered Office of BFL is situated at SCO-859, N.A.C, Manimajra, Chandigarh 160101, India. The Corporate Identification Number of BFL is U67200CH2016PLC041263.

The RBI has issued the registration certificate dated April 12, 2017 bearing no.is B-06.00606

Nature of Business

The main objects of BFL include, *inter alia* carrying on:

To carry on the business of a finance and hire purchase company and to undertake to arrange or facilitate the activities relating to financing of tractors, motor vehicles, industrial machinery and other forms of farm equipment, their spares and components and to engage into installment sale and/or deferred sale, and to carry out the business of a company established with the object to arrange or provide financial and other facilities independently or in association with any person, Financial Institutions, Banks, Industrial Companies or any other agency, in the form of lending or advancing money by way of asset finance, refinance or in any other form, whether with or without security.

Board of Directors

Sr.No.	*Name of the Director*	*DIN*	*Designation*
1.	Ranbir Singh Khadwalia	00062154	Director
2.	Anshul Khadwalia	05243344	Director
3.	Sunita Saini	00062113	Director
4.	Sat Parkash Mittal	00686893	Director
5.	Brij Kishore Mahindroo	08472014	Non Executive Director

Capital Structure

The authorized share capital of BFL is ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid up capital of BFL is ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each.

Shareholding of BFL:

Name of the Shareholders	No of Shares	% of Shareholding
Indo Farm Equipment Limited	19,999,400	99.99%
Ranbir Singh Khadwalia*	100	0.001%
Sunita Saini*	100	0.001%
Anshul Khadwalia*	100	0.001%
Shubham Khadwalia*	100	0.001%
Sat Prakash Mittal*	100	0.001%
Diksha Khadwalia*	100	0.001%
Total	**20,000,000**	**100.00%**

**Holding on behalf of Indo Farm Equipment Limited.*

Summary of financial information of BFL

(₹ in million)

Particulars	For the year ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Share Capital	200.00	170.00	170.00
Networth	331.21	270.22	227.36
Total Income (Including Other Income)	282.30	259.58	198.73
Profit after tax	30.99	42.86	29.05
EPS (Basic)	1.55	2.52	2.08
EPS (Diluted)	1.55	2.52	1.71

Amount of accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiary that are not accounted for by our Company in the Consolidated Financial Statements.

Listing

None of the securities of our Subsidiary are listed on any stock exchange(s) in India or abroad. Further none of the securities of our Subsidiary have been refused listing by any stock exchange(s) in India or abroad, nor has our Subsidiary failed to meet the listing requirements of any stock exchange in India or abroad.

Business interest of our Subsidiary in the Company

Our Subsidiary does not have any interest in our Company's business other than as stated in "*Our Business*", "*History and Certain Corporate Matters*" and "*Financial Information*", on page nos. 123, 162 and 192, respectively, of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association of our Company we are required to have not less than 3 Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board has six (6) Directors, including two (2) women Independent Director. The board comprising of one (1) Chairman and Managing Director, two (2) Whole Time Directors, and three (3) Independent Directors.

The details of the Directors are as mentioned in the below table:

Sr. No.	Name, Father's Name, Designation, Address, Occupation, DIN, Date of Birth and Term	Age (in years)	Other Directorships
1.	Ranbir Singh Khadwalia Father's Name: Ganga Bishan Khadwalia Designation: Chairman and Managing Director Address: 103-104, Sector-6, Panchkula, Haryana-134109, India. Occupation: Business DIN: 00062154 Date of Birth: October 31, 1960 Nationality: Indian Date of appointment as a director: Since Incorporation Date of Change in designation: July 01, 2022 Current Term: Three years till June 30, 2025 (Liable to retire by rotation)	62	1) Barota Finance Limited 2) Indo Farm Industries Limited 3) TVC Ratings Limited
2.	Anshul Khadwalia Father's Name: Ranbir Singh Khadwalia Designation: Whole Time Director Address: 103-104, Sector-6, Panchkula, Haryana-134109, India. Occupation: Business DIN: 05243344 Date of Birth: September 28, 1990 Nationality: Indian Date of appointment as a director: October 18, 2018 Date of Change in designation: August 14, 2023	33	1) Barota Finance Limited 2) Kyoor Healthcare Limited 3) TVC Ratings Limited

Sr. No.	Name, Father's Name, Designation, Address, Occupation, DIN, Date of Birth and Term	Age (in years)	Other Directorships
	Current Term: Three years till October 17, 2024 (Liable to retire by rotation)		
3.	Puneet Ralhan Father's Name: Inder Bali Ralhan Designation: Whole Time Director Address: H No. 26 First Floor, Saraswati Vihar New Grain Market Po, Jalandhar 144008, Punjab, India. Occupation: Service DIN: 06745749 Date of Birth: July 30, 1976 Nationality: Indian Date of appointment as a director: October 27, 2021 Date of Change in Designation: NA Current Term: Three years till October 26, 2024 (Liable to retire by rotation)	47	NIL
4.	Arshdeep Kaur Father's Name: Ajinder Singh Designation: Non-Executive Independent Director Address: House No. 767, Phase-6, Mohali-160055, Punjab, India. Occupation: Professional DIN: 08056826 Date of Birth: July 30, 1990 Nationality: Indian Date of appointment as an Additional Independent Director: June 15, 2022 Date of Change in Designation: September 30, 2022 Current Term: Five years till September 29, 2027	33	1) Syschem (India) Limited
5.	Babita Dosajh Father's Name: Vijai Inder Dosajh	52	NIL

Sr. No.	Name, Father's Name, Designation, Address, Occupation, DIN, Date of Birth and Term	Age (in years)	Other Directorships
	Designation: Non-Executive Independent Director Address: 103B, Aradhya Homes Palm City, Sante Majra, Shiwalik city, Sector 127 SAS Nagar, Mohali, Kharar (Rupnagar), Rupnagar, Kharar, 140301, Punjab, India. Occupation: Industrial Psychologist and a Professor DIN: 10312327 Date of Birth: July 30, 1990 Nationality: Indian Date of appointment as an Additional Independent director: September 12, 2023 Date of Change in Designation: NA Current Term: Five years till September 11, 2027		
6.	Brij Kishore Mahindroo Father's Name: Dina Nath Mahindroo Designation: Non-Executive Independent Director Address: No. 55, Sangam Enclave, Sector-48 A, Sector 47, Chandigarh 160047 Occupation: Professional DIN: 08472014 Nationality: Indian Date of Birth: May 31, 1953 Date of appointment as an Additional Independent director: August 14, 2023 Date of Change in Designation: NA Current Term: Five years till August 13, 2027	70	1) Barota Finance Limited

Brief Profile of our Directors

Ranbir Singh Khadwalia, aged 62 years is one of the founding Promoters of our Company. He is currently designated as Chairman and Managing Director of our Company. He has been associated with our Company since incorporation of our Company. He has completed his Diploma in Mechanical Engineering from Haryana State Board of Technical Education. Before commencing the Indo Farm, he was associated with Eicher Farm Machinery Limited in the Production department. He has around three decades of experience in manufacturing of farming / agricultural equipments and machines. He is currently responsible for overall supervision of the management and affairs of the Company including the setting up of new plants and developing industry networks for further business development.

Anshul Khadwalia, aged 33 years is the Whole Time Director of our Company. He was appointed on the Board of our Company w.e.f May 31, 2014. Further his designation was changed to Whole Time Director w.e.f. August 14, 2023. He holds Bachelor of Science in Business and Management from Aston University (U.K.). Currently, he is looking after

Sales and Marketing strategies for the IFEL's Tractor and Spare Parts Division. He is also an active speaker in TED talks He is also awarded by Hindustan Times TOP 30 UNDER 30. .

Puneet Ralhan, aged 47 years is the Whole Time Director of our Company. He was appointed on the Board of our Company as a Whole Time Director w.e.f October 27, 2021. He has completed his Bachelor of Engineering in Mechanical Engineering from Thapar Institute of Engineering and Technology, Patiala. He also holds Post Graduate Diploma in Business Administration from Symbiosis Centre for Distance Learning, Pune. Before joining Indo Farm, he was associated with International Tractors Limited ("***Sonalika International***") from 2001. In the year 2009, he joined Escorts Construction Equipment Limited as a Deputy General Manager – Manufacturing. In the year 2017, International Tractors Limited ("***Sonalika International***") offered him the employment as Assistant Vice President at their Manufacturing facility at Hoshiarpur. Currently, he is responsible for the overall supervision of both manufacturing facilities at Indo Farm.

Arshdeep Kaur, aged 33 years is appointed as a Non-Executive Director Independent Director of our Company. She was appointed on the Board of our Company w.e.f. June 15, 2022 as an additional Non-Executive Independent Director. She has completed her Bachelor in Business Administration and Masters in Finance and Control from Punjab University. She is also a Qualified Company Secretary and a member of the Institute of Company Secretaries of India. Currently, she is Vice Chairperson at Chandigarh Chapter of ICSI. She has an overall professional experience of more than 5 years in handling company secretarial and corporate law.

Babita Dosajh, aged 52 years is appointed as a Non-Executive Director Independent Director of our Company. She was appointed on the Board of our Company w.e.f. September 12, 2023 as an additional Non-Executive Independent Director. She has completed her Bachelor's in Arts from Bede's College, HP University. She also completed M.A. in Psychology from HP University and PHD in Industrial Psychology from HP University. She had also completed MBA from Manonmaiam Sundaranar University, Tamilnaru. She has more than two decades of teaching experience. Presently she is working as Associate Dean and Head of School of Humanities Cum Associate Professor (Management-HR) with Amity University, Punjab and Amity Global Business School, Mohali.

Brij Kishore Mahindroo, aged 70 years is appointed as a Non-Executive Independent Director of our Company. He was appointed on the Board of our Company w.e.f. August 14, 2023 as an Additional Non Executive Independent Director. He has completed his Bachelors of Science and Masters in Science from Himachal Pradesh University. He has worked with Punjab National Bank for 36 years and retired as Deputy General Manager.

CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

1. Expect as stated below, none of the Directors of our Company are related to each other.

    - Ranbir Singh Khadwalia is father of Anshul Khadwalia.

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a director.

3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

4. None of our Directors have been identified as a wilful defaulter or a fraudulent borrower (as defined in the SEBI ICDR Regulations).

5. None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1) (p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

6. Further, none of our directors are or were directors of any Company whose shares have been/were:

    a) Suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or;

    b) Delisted from the stock exchange(s) during the term of their directorship in such companies.

7. Neither our Company, nor any of our Promoters or Directors has been declared as fraudulent borrowers by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

8. Our Company, subsidiary, Promoters, the Selling Shareholders, members of Promoter Group and Directors are not prohibited from accessing the capital markets or have not been debarred from buying, selling or dealing insecurities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. None of the companies with which our Promoters or Directors are or were associated as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities Neither our Company nor our directors or Promoters have been declared as a 'wilful defaulter' or a 'fraudulent borrower', as defined under the SEBI ICDR Regulations. Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Details of Borrowing Powers

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on August 18, 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 in excess of aggregate of paid up capital and free reserves (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 ₹ 10,000 million.

Compensation Paid to our 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 the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

Ranbir Singh Khadwalia, Chairman and Managing Director

The compensation package payable to him as resolved in the shareholders meeting held on August 29, 2022 is stated hereunder:

Salary: The total remuneration paid to Ranbir Singh Khadwalia, Chairman and Managing Director, shall not exceed a sum of ₹ 0.8 million per month as salary. Further, the perquisites and the leave encashment shall be as per the rules of the Company and shall be payable to him during the term of his office.

Anshul Khadwalia, Whole Time Director

The compensation package payable to him as resolved in the shareholders meeting held on November 30, 2021 is stated hereunder:

Salary: The total remuneration paid to Anshul Khadwalia, Whole Time Director, shall not exceed a sum of ₹ 0.8 million per month as salary. Further, the perquisites and the leave encashment shall be as per the rules of the Company and shall be payable to him during the term of his office.

Puneet Ralhan, Whole Time Director

The compensation package payable to him as resolved in the shareholders meeting held on November 30, 2021 is stated hereunder:

Salary: The total remuneration paid to Puneet Ralhan, Whole Time Director, shall not exceed a sum of ₹ 0.45 million per month as salary. Further, the perquisites and the leave encashment shall be as per the rules of the Company and shall be payable to him during the term of his office.

Remuneration paid by our Subsidiary

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from our Subsidiary in Fiscal 2023.

Payment or Benefit to Independent Director of our Company

Pursuant to the resolution passed by the Board of Directors of our Company at their meeting held on September 12, 2023, our Non -Executive Independent Directors are entitled to receive a sitting fee of ₹ 20,000 for attending each meeting of our Board and ₹ 10,000/- for attending each meeting of our Audit Committee and Rs. 5,000/- for attending meeting of other Committees thereof.

Sitting Fees Paid to Independent Directors by our Company and/ or by our Subsidiary

For F.Y. 2022-23, the Non-Executive Independent Directors have been paid sitting fees as follows:

Sr. No.	Name of Director	Remuneration paid (₹ in millions)
1.	Arshdeep Kaur	0.06
2.	Babita Dosajh (w.e.f Sep 12, 2023)	NIL
3.	Brij Kishore Mahindroo (w.e.f Aug 14, 2023)*	0.04
4.	Prem Chand Dhiman (Director till Aug 22, 2023)	0.20

** Brij Kishore Mahindroo is also on Board of our Subsidiary Company since June 2019.*

Remuneration/Compensation/Commission Paid to Directors by our Company and/ or by our Subsidiary

For F.Y. 2022-23, the directors have been paid / payable gross remuneration / commission as follows:

Sr. No.	Name of Director	Remuneration paid (₹ in million)
1.	Ranbir Singh Khadwalia	9.60
2.	Anshul Khadwalia	9.60
3.	Puneet Ralhan	3.87
4.	Sat Prakash Mittal (Director till Aug 05, 2023)	-
5.	Sunita Saini (Director till Aug 05, 2023)	0.52

Shareholding of Our Directors in the Company

Our Articles of Association do not require our directors to hold any qualification shares. The details of the shareholding of our directors as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Offer Capital (%)
1.	Ranbir Singh Khadwalia	2,03,26,400	54.13%
2.	Anshul Khadwalia	9,97,332	2.66%

Interest of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them

Other than Ranbir Singh Khadwalia & Anshul Khadwalia, none of our directors are interested in the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired by the Company.
No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

Except as disclosed in "*Related Party Transactions*" on page no. 240 of this Draft Red Herring Prospectus, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Our Company does not have any performance linked bonus or a profit-sharing plan for our directors.

Except as disclosed in "*Related Party Transactions*" on page no. 240 this Draft Red Herring Prospectus, our directors do not have any interest in the Company or its business.

Changes in Our Board of Directors during the Last Three Years

Sr. No	Name of Director	Date of Appointment/ Change	Designation	Reason for change
1.	Charan Singh Saini	May 31, 2021	Whole Time Director	Cessation
2.	Puneet Ralhan	October 27, 2021	Whole Time Director	Appointment
3.	Prem Chand Dhiman	June 15, 2022	Additional Non Executive Independent Director	Appointment
4.	Arshdeep Kaur	June 15, 2022	Additional Non Executive Independent Director	Appointment
5.	Devinder Dutt Gautam	June 15, 2022	Director	Cessation
6.	Inder Singh Negi	June 15, 2022	Director	Cessation
7.	Ranbir Singh Khadwalia	July 01, 2022	Chairman and Managing Director	Change in Designation
8.	Prem Chand Dhiman	September 30, 2022	Non Executive Independent Director	Change in Designation
9.	Arshdeep Kaur	September 30, 2022	Non Executive Independent Director	Change in Designation
10.	Sunita Saini	August 05, 2023	Whole Time Director	Cessation
11.	Sat Prakash Mittal	August 05, 2023	Director	Cessation
12.	Brij Kishore Mahindroo	August 14, 2023	Additional Non Executive Independent Director	Appointment
13.	Anshul Khadwalia	August 14, 2023	Whole Time Director	Change in Designation
14.	Prem Chand Dhiman	August 22, 2023	Non Executive Independent	Cessation
15.	Babita Dosajh	September 12, 2023	Additional Non Executive Independent Director	Appointment

Corporate Governance

The Corporate Governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof, and formulation and adoption of policies.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board has six (6) Directors, including two (2) woman directors. The board comprising of one (1) Chairman and Managing Director, (2) Whole Time Directors, and three (3) Non executive Independent Directors.

The following committees have been re-constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

A. Audit Committee;
B. Nomination and Remuneration Committee;
C. Stakeholders Relationship Committee;
D. Risk Management Committee;
E. Corporate Social Responsibility Committee

A. Audit Committee

The Audit Committee was re-constituted by our Board of Directors on September 12, 2023 in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The audit committee comprises:

Name of the Directors	Nature of Directorship	Designation in Committee
Brij Kishore Mahindroo	Independent Director	Chairman
Arshdeep Kaur	Independent Director	Member
Babita Dosajh	Independent Director	Member
Ranbir Singh Khadwalia	Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee. The scope of Audit Committee shall include but shall not be restricted to the following:

The scope of Audit Committee shall include but shall not be restricted to the following:

a) overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b) recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

c) reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

d) approving payments to statutory auditors for any other services rendered by the statutory auditors;

e) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;

    e. compliance with listing and other legal requirements relating to financial statements;

    f. disclosure of any related party transactions; and

    g. modified opinion(s) in the draft audit report;

f) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

g) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.

h) approval or any subsequent modification of transactions of the Company with related parties;

i) scrutinizing of inter-corporate loans and investments;

j) valuation of undertakings or assets of the Company, wherever it is necessary;

k) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

l) evaluating of internal financial controls and risk management systems;

m) reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

n) 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;

o) discussing with internal auditors of any significant findings and follow up there on;

p) 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;

q) 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;

r) 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;

s) reviewing the functioning of the whistle blower mechanism;

t) approving of appointment of 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;

u) investigating into any above matter or referred to it by the Board of Directors and for this purpose, to have full access to information contained in the records of the Company and external professional advice, if necessary;

v) The Audit Committee shall mandatorily review the following information:

    a. management discussion and analysis of financial condition and results of operations;

    b. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

    c. management letters / letters of internal control weaknesses issued by the statutory auditors;

    d. internal audit reports relating to internal control weaknesses;

    e. the appointment, removal and terms of remuneration of the chief internal auditor;

f. reviewing utilisation of loans and/or advances from/investment by the holding company in the unlisted subsidiary including existing loans/ advances/ investments; and

g. statement of deviations:

  i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations.

  ii. annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of the SEBI Listing Regulations; and

w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

x) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

y) Carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of reference as may be decided by the board and/or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority.

The powers of the Audit Committee include the following:

i. To investigate activity within its terms of reference;

ii. To seek information from any employees;

iii. To obtain outside legal or other professional advice;

iv. To secure attendance of outsiders with relevant expertise, if it considers necessary; and

v. To have full access to the information contained in the records of the Company.

The Audit Committee is required to meet at least four times in a year under the SEBI Listing Regulations.

B. Nomination And Remuneration Committee

The Nomination and Remuneration Committee was re-constituted by our Board of Directors on September 12, 2023 pursuant to section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee comprises:

Name of the Directors	Nature of Directorship	Designation in Committee
Brij Kishore Mahindroo	Independent Director	Chairman
Babita Dosajh	Independent Director	Member
Arshdeep Kaur	Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

a) formulating and recommending to the Board for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act;

b) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;

c) identifying persons who are qualified to become directors and persons who may be appointed in senior management position in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

d) formulation of criteria for evaluation of performance of Independent Directors and the Board;

e) recommending to the Board, qualifications, appointment, remuneration and removal of Directors, key management personnel and persons in senior management positions in accordance with the nomination and remuneration policy;

f) devising a policy on diversity of the Board;

g) carrying out performance evaluation of every Director in accordance with the nomination and remuneration policy;

h) considering grant of stock options to eligible Directors, formulating detailed terms and conditions of employee stock option schemes and administering and exercising superintendence over employee stock option schemes;

i) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

j) 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;

k) recommend to the board, all remuneration, in whatever form, payable to senior management and;

l) performing such other activities as may be delegated by the Board or specified or provided under the Companies Act, 2013 or the SEBI Listing Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.;

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was re-constituted by our Board of Directors on September 12, 2023 pursuant to section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholder's Relationship Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Brij Kishore Mahindroo	Independent Director	Chairman
Ranbir Singh Khadwalia	Managing Director	Member
Arshdeep Kaur	Independent Director	Member
Babita Dosajh	Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

a) Consider and resolve grievances of shareholders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;

b) Review of measures taken for effective exercise of voting rights by shareholders.

c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

e) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

f) Approve, register, refuse to register transfer or transmission of shares and other securities;

g) Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

h) Allotment and listing of shares;

i) Authorise affixation of common seal of the Company;
j) Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

k) Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

l) Dematerialize or rematerialize the issued shares;

m) Ensure proper and timely attendance and Redressal of investor queries and grievances;

n) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and

o) Delegate further, all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

p) performing such other activities as may be delegated by the Board or specified or provided under the Companies Act, 2013 or the SEBI Listing Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.;

D. Risk Management Committee

The Risk Management Committee was re-constituted by our Board of Directors on September 12, 2023 in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Brij Kishore Mahindroo	Independent Director	Chairman
Ranbir Singh Khadwalia	Managing Director	Member
Babita Dosajh	Independent Director	Member
Arshdeep Kaur	Independent Director	Member

The scope and function of the Risk Management Committee is its terms of reference are as follows:

a) To formulate a detailed Risk Management Policy covering risk across functions and plan integration through training and awareness programmes. The Policy shall include:

- A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

- Measures for risk mitigation including systems and processes for internal control of identified risks;

- Business continuity plan.

b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) To review and recommend potential risk involved in any new business plans and processes;

d) To review the Company's risk-reward performance to align with the Company's overall policy objectives;

e) To implement, monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

f) To periodically review and assess the Risk Management Policy at least once in two years, including by considering the changing industry dynamics and evolving complexity and recommend for any amendment or modification as necessary;

g) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

h) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

i) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

j) To review the appointment, removal and terms of remuneration of the chief risk officer (if any);

k) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such the functions, including cyber security;

l) Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

m) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

E. Corporate Social Responsibility committee

The Corporate Social Responsibility Committee was re-constituted by our Board on September 12, 2023 in terms of Section 135 of the Companies Act. The Corporate Social Responsibility Committee comprises of following Directors:

Name of the Directors	Nature of Directorship	Designation in Committee
Ranbir Singh Khadwalia	Managing Director	Chairman
Brij Kishore Mahindroo	Independent Director	Member
Babita Dosajh	Independent Director	Member
Arshdeep Kaur	Independent Director	Member

The terms of reference of the Corporate Social Responsibility Committee include the following:

a) Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;

b) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation during such immediately preceding financial years;

c) Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;

d) Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

e) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

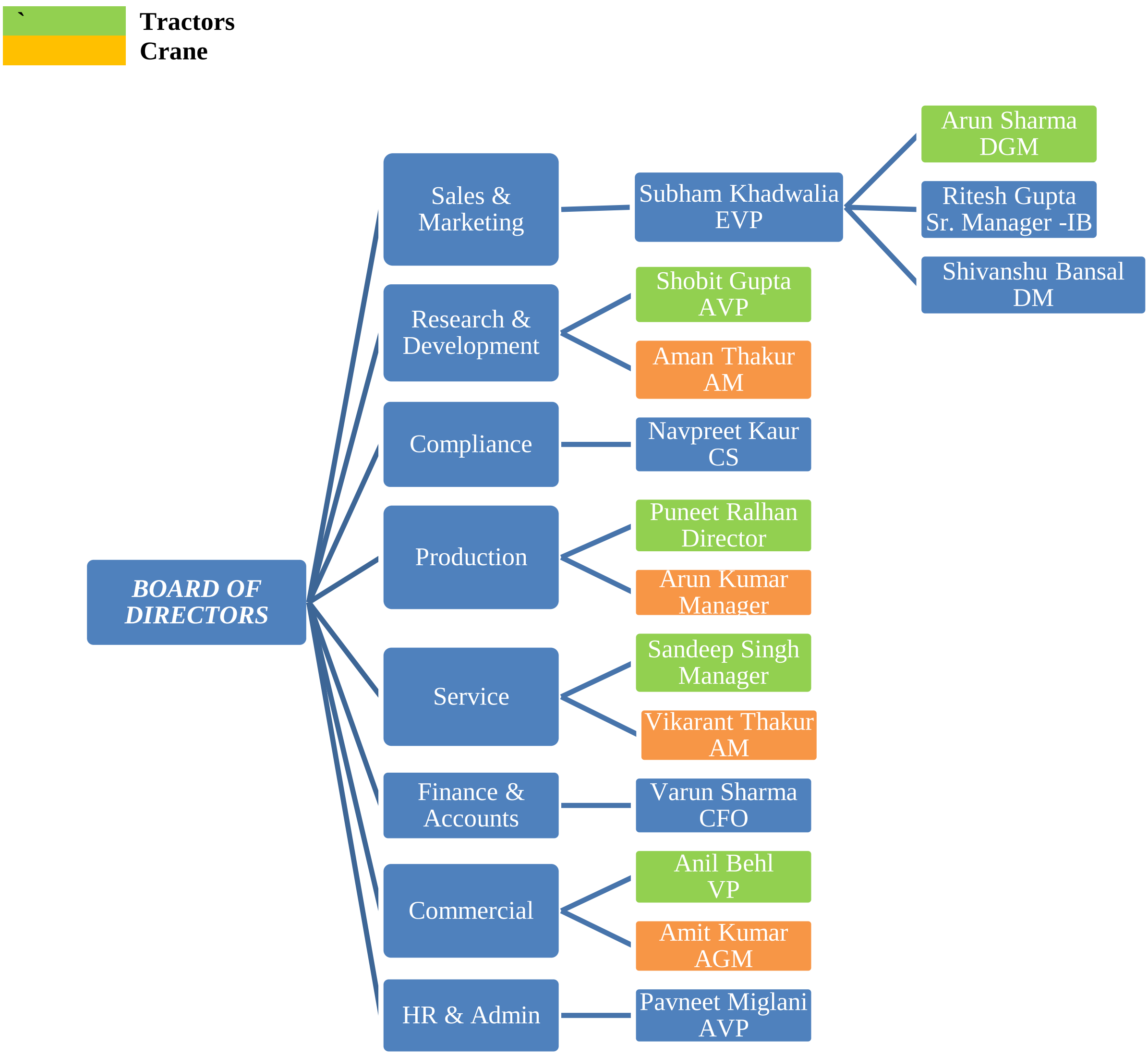
f) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and

g) Performing such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws

POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

ORGANIZATIONAL STRUCTURE



Key Managerial Personnel and Senior Management

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Given below are the details of the Key Managerial Personnel and senior management:

Ranbir Singh Khadwalia is the Chairman and Managing Director of our Company. For details, see "*Brief Profile of our Directors*". For details of compensation paid to him during Financial Year 2023, see "*Remuneration/ Compensation/Commission paid to our directors*"

Varun Sharma, aged 27 years is the Chief Financial Officer of our Company. He is appointed on September 11, 2023. He has completed Bachelor of Commerce from University of Punjab. He is a qualified Chartered Accountant and the member of The Institute of Chartered Accountants of India. Before joining Indo Farm he has worked with Infosys Limited (for around 1 year), Reckitt Benckiser Healthcare India Private Limited (for less than 1 year) and Bunge India Private Limited (for less than 1 year), where he was designated as Asso Team Lead, Finance & Accounts. During the Financial Year 2022-23, he was not paid any remuneration.

Navpreet Kaur, aged 51 years is the Company Secretary and Compliance Officer of our Company. She was appointed on December 03, 2018. She has completed her Bachelor of Commerce with Honors in Business Law from Punjab University. She is also a Qualified Company Secretary and member of the Institute of Company Secretaries of India. She has more than two decades of experience in handling statutory compliances, legal and secretarial matters. Before joining Indo Farm, she has worked with R.N. Highways Private Limited, Herman Milk Foods Limited and Pearls Buildwell Infrastructure Limited as Company Secretary and Compliance Officer. She is currently responsible to handle statutory compliance requirements as per Companies Act, 2013 and other legal matters of our Company. During the Financial Year 2022-23, she was paid a gross compensation of remuneration₹ 0.81 million.

Shubham Khadwalia, aged 30 years is working as Executive Vice President Sales & Marketing of IFEL's Construction Equipment Division and International Business. He has obtained his B.Sc. (Honors) in Operations Management from Lancaster University (U.K.)". Furthermore, he also holds MSc in Strategic Marketing Management from Aston University, UK. Shubham was awarded Young Achiever by Dainik Bhaskar. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 9.6 million.

Anil Behl, aged 51 years, is the Vice President – Purchase and Vendor Development. He was appointed on November 01, 2022. He has completed his Bachelor of Technology in Industrial Engineering from Guru Nanak Dev University. He has also completed executive program on Leadership Skills for Top Management from Indian School of Business. He has around two decades of experience in the areas of ERP implementation, streamlining the process and reporting and segregating the overall production plan to ensure maximum efficiency and smooth workflow. Before joining Indo Farm, he was associated with Preet Tractors Private Limited, Honil Technologies, Claas India Private Limited and Bajaj Motors. At Indo Farm he is responsible for cost management, quality control, inventory control etc. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 3.88 million.

Pavneet Miglani, aged 51 years is the Associate Vice President – HR and Admin department of our Company. She has completed her Masters of Arts in Economics from Punjab University. She has also completed advanced certificate course from Confluence Technologies. She is also a Certified System Administrator of VUE Technologies, USA. She has around two decades of experience in the areas of recruitment and selection of the candidates. Previously she was associated with Spray Engineering Devices Limited & Hartek Power Private Limited. She joined our Company in the year 2013 as Assistant General Manager & resigned in 2015 and thereafter she again joined our Company on February 25, 2019 as Associate Vice President - HR & Admin. Since then she is the part of our Company. She is currently responsible for recruit the candidates, to maintain the employee relations and to bridge the gap between the workforce and the company needs. During the Financial Year 2022-23, she was paid a gross compensation of remuneration₹ 1.39 million.

Shobit Gupta, aged 51 years, is the Associate Vice President -R&D department. He has completed his Bachelor of Technology in Mechanical Engineering from University of Gorakhpur. Previously, he was associated with Escorts Limited, Sonalika Tractors and Captain Tractors Private Limited, where he was part of R&D department responsible for design and development of different tractor aggregates. He has around three decades of experience in the tractor manufacturing industry. He joined Indo Farm on June 28, 2023. He is looking after development of tractors as per upcoming statutory norms. During the Financial Year 2022-23, he was not paid any remuneration

Arun Sharma, aged 43 years, is the Deputy General Manager – Sales and Marketing. He has completed his Bachelor of Commerce from Punjab University. He has also completed his Masters in Business Administration from RIMT – Institute of Management and Computer Technology. He is associated with Indo Farm since November 21, 2005. At Indo Farm is responsible for managing sales team and sales operations and also monitoring the market and competitor products and activities. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 0.87 million.

Ritesh Gupta, aged 42 years, is the Senior Manager – International Business. He has completed his Bachelors of Engineering in the discipline of production engineering from Punjab Technical University, post-graduation diploma in Business Administration from Symbiosis Centre for Distance Learning, diploma in Mechanical Engineering at Ramgarhia Polytechnic, Phagwara. He has around two decades of experience in the areas of market analysis and developing strategies to explore new market and to determine customer needs. Previously, he was associated with Spray Engineering Devices Limited. He joined Indo Farm on July 01, 2019, where is responsible for taking care of entire export business cycle. During the Financial Year 2022-23, he was paid a gross compensation of remuneration ₹ 2.2 million.

Amit Kumar, aged 33 years is the Senior Manager-Purchase and Vendor Development-CED in our Company. He was appointed on April 14,2021. He has completed his Bachelor of Engineering in Mechanical Engineering and Master of Business Administration from Maharshi Dayanand University, Rohtak. He has more ten years of experience in the areas of planning of purchase strategies, liaising with the production department and to maintain optimum inventory. Previously he was associated with Ace Construction Equipment Limited as Deputy Manager. At Indo Farm, he is responsible for Advance planning and budgeting of purchase functions, involving cost estimation, contract negotiations & finalization for purchase of all parts and raw material. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 0.9 million.

Arun Kumar Sharma, aged 36 years is the Manager-Production -CED in our Company. He has completed his Bachelor of Technology in Mechanical Engineering from Kurukshetra University. He also holds Master's degree in Mechanical Engineering from Maharishi Markandeshwar University. He has more fifteen years of experience, before joining Indo Farm; he was associated with Ace Construction Equipment Limited where he was responsible for planning and organizing fabrication production schedules. At Indo Farm, he is responsible for Hydra Crane Fabrication and organizes workflow to meet specifications and deadlines. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 0.04 million.

Aman Thakur, aged 36 years, is the Manager -R&D department-CED. He has completed his Diploma in Mechanical Engineering from Guru Gobind Singh Polytechnic. Previously, he was associated with R.N. Gupta and Company Limited and Cimmco Limited. He has around twelve years of experience in the areas in designing and development of construction equipments, manufacturing and machinery industry. At Indo Farm, he is looking designing and development of new products. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 0.63 million.

Sandeep Singh, aged 34 years, is the Manager – Tractor Service and Product Support. He has completed his Diploma in Engineering in the discipline of Mechanical Engineering from S. Sukhjinder Singh Polytechnic and Pharmacy College. He has around a decade of experience in the areas of pre delivery inspection checking of the vehicles before the dispatch of vehicles to the customers. Previously, he was associated with Kartar Tractors Private Limited. He joined Indo Farm in the year 2010, At Indo Farm, he is responsible for monitoring of service team, audit of tractors before their dispatch, product installation follow up from customers after delivery. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 0.42 million.

Shivanshu Bansal, aged 31 years, is the Deputy Manager – Sales and Marketing (CED). He has completed his Diploma in Mechanical Engineering from Govt. Polytechnic Sunder Nagar, Himachal Pradesh. He is associated with Indo Farm since 2014. At Indo Farm is responsible for developing new channel partners, new markets and handling service team for overall profitability of the Company. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 1.1 million.

Vikrant Thakur, aged 33 years, is the Assistant Manager-Service-CED in our Company. He has completed his Bachelor of Technology in Mechanical Engineering from Arni University. He has also completed his Master's degree in Business Administration Himachal Pradesh University. He was associated with our Company from 2014 to 2018, however, he re-joined Indo Farm back in the year 2022. At present he is responsible to take up all the complaints with R&D department for the proper root cause and elimination of the causes for proper functioning of the machine in future. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 0.51 million.

Key Managerial Personnel at our Subsidiary:

Vishal Anand, aged 39 years, is the Chief Operating Officer and has over 15 years of extensive experience in Agri Banking & Finance Industry. He has done MBA-Finance from Barkatullah University, Bhopal, Madhya Pradesh. He has worked at zonal level for 7 years in IndusInd Bank Ltd. Prior to that he also worked with various organizations such as Sundaram Finance & Mahindra & Mahindra Finance. He joined Barota Finance in the year May 17, 2021. He is an excellent executor with strong ability to make the tangible connection between business and its financial performance for effective results. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 3.1 million.

Gurvinder Singh Chadha, aged 43 years, is the Chief Financial Officer at Barota Finance Limited. He was appointed as CFO in Barota Finance Limited on June 2021, prior to that he was associated with Indo Farm Equipment Limited in capacity of Deputy General Manager since January 10, 2019. He has completed his Bachelors in Commerce from Punjab University. He is a qualified Chartered Accountant from The Institute of Chartered Accountants of India. He has more than fifteen years of experience in the areas of taxation, accounting and finance. Previously, he was associated with Rajit Paints as Manager, Eastman Impex as Assistant Manager, Kamla Retail Limited as Manager and Spray Engineering Devices Limited. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 1.6 million.

Aayushi, aged 27 years is the Company Secretary and Compliance Officer of our Subsidiary. She was appointed on July 07, 2021. She is a Qualified Company Secretary and member of the Institute of Company Secretaries of India. She has experience in handling statutory compliances, legal and secretarial matters. Before joining Indo Farm, she has worked with Shyam Basic Infrastructure Projects Private Limited. She is currently responsible to handle statutory compliance requirements as per Companies Act, 2013 and RBI norms and other legal matters of our Subsidiary Company. During the Financial Year 2022-23, she was paid a gross compensation of remuneration₹ 0.56 million.

Abhishek Pathak, aged 31 years, is the Credit Head-Credit and Operations at Barota Finance Limited. He has completed his Bachelors in Business Administration from Doctor Harisingh Gour Vishwa vidyalaya, Sagar. Previously, he was associated with Indusind Bank and with TVC Credit Services Limited as Deputy Manager – Credit. He joined Barota Finance in the year Augusut 05,2022, where is currently responsible for evaluating the clients' credit worthiness, approving or rejecting loan requests based on the creditability and potential revenues and losses. During the Financial Year 2022-23, he was paid a gross compensation of remuneration₹ 0.34 million.

Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

Relationship amongst the Key Management Personnel

Expect as stated below, none of the KMP's of our Company are related to each other.

- Ranbir Singh Khadwalia is father of Shubham Khadwalia.

Relationship amongst the Key Management Personnel and Director

Expect as stated below, none of the KMP's are related to directors of our Company.

- Ranbir Singh Khadwalia is father of Anshul Khadwalia and Shubham Khadwalia.
- Anshul Khadwalid and Shubham Khadwalia are brothers.

Shareholding of the Key Management Personnel

None of our Key Managerial Personnel holds any shares of our Company as on the date of this Draft Red Herring Prospectus except as mentioned below:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Offer Capital (%)
1.	Ranbir Singh Khadwalia	2,03,26,400	54.13%
2.	Shubham Khadwalia	1,54,400	0.41%

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including key managerial personnel is entitled to any benefit upon termination of such officer's employment or superannuation.

Interest of Key Managerial Personnel

None of our key management personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our key managerial personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

Loans taken by Key Management Personnel

None of our key managerial personnel have any outstanding loan from our Company as on the date of this Draft Red Herring Prospectus.

Arrangement or Understanding with Major Shareholders

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel was selected as a member of our senior management.

Bonus or Profit Sharing Plan of the Key Management Personnel

Our Company does not have any performance linked bonus or a profit-sharing plan for our key management personnel.

Payment or Benefit to our Officers

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus, or is intended to be paid or given, other than in the ordinary course of their employment except as disclosed in the related party transactions. For further details please see "Restated Financial Statements – Related party disclosure on page no. 240 of this Draft Red Herring Prospectus.

Changes in our Key Managerial Personnel in the last three years from the date of this Draft Red Herring Prospectus

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name	Designation	Reason	Date of Appointment / Change in designation
Surinder Singla	Chief Financial Officer	Appointment	January 06, 2021
Amit Kumar	Senior Manage – Purchase and Vendor Development – CED	Appointment	April 14, 2021
Vishal Anand	Chief Operating Officer (BFL)	Appointment	May 17, 2021
Gurvinder Singh Chadha	Chief Financial Officer (BFL)	Appointment	June 16, 2021
Aayushi	Company Secretary (BFL)	Appointment	July 07, 2021
Abhishek Pathak	Credit Head (BFL)	Appointment	Augusut 05,2022
Anil Behl	Vice President – Purchase and Vendor Development	Appointment	November 01, 2022
Vikrant Thakur	Assistant Manager – Services – CED	Appointment	April 12, 2022
Surinder Singla	Chief Financial Officer	Cessation	September 09, 2023
Varun Sharma	Chief Financial Officer	Appointment	September 09, 2023
Shobit Gupta	Associate Vice president – R & D Department	Appointment	June 28, 2023

Contingent and Deferred Compensation Payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our key managerial personnel, which does not form part of their remuneration.

Employee Stock Option Plan

Our Company has no employee stock option plan.

OUR PROMOTER AND PROMOTER GROUP

Our Promoters

Ranbir Singh Khadwalia and Sunita Saini are the Promoters of our Company. Our Promoters currently hold an aggregate of 30,976,748 Equity Shares, aggregating to 82.49 % of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see "*Capital Structure*" on page no. 65 of this Draft Red Herring Prospectus.

The details of our Promoters are as under:

Ranbir Singh Khadwalia	
	**Ranbir Singh Khadwalia**, aged 62 years is the Promoter, Chairman and Managing Director of our Company. For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled "*Our Management*" on page 168 of this Draft Red Herring Prospectus. Date of birth: October 31,1960 Permanent Account Number: ABBPK3777A Address: 103-104, Sector-6, Panchkula, Haryana 134109, India.

Sunita Saini	
	**Sunita Saini,** aged 54 years is one of the founding Members of our Company. She is associated with our company since incorporation. She has completed her Bachelor of Arts from Kurukshetra University. She has been associated with our Company since 1994 and has more than two decades of experience in our Company. She is actively involved in administration of the Company and undertaking CSR activities. Directorship-Indo Farm Industries Limited and Barota Finance Limited Date of birth: June 09,1969 Permanent Account Number: ABZPS6273M Address : 103-104, Sector-6, Panchkula Sector 8, Haryana,134109, India

Confirmations and Undertakings

We confirm that the Permanent Account Number, Bank Account number, Passport number, Aadhaar card number and driving license number of our Promoters have been submitted to the Stock Exchange(s) at the time of filing of the Draft Red Herring Prospectus.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or a fraudulent borrower by the RBI or any other governmental authority.

Our Promoters has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Change in Control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Experience of our Promoters in the business of our Company

For details in relation to experience of our Promoters in the business of our Company, please see *"Our Management" and "Promoters and Promoter Group"* on page nos.168 and 186 of this Draft Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our Promoters are also interested to the extent of shareholding of their relatives in our Company. For further details of the shareholding of our Promoters in our Company, see "*Capital Structure - Build-up of the Promoters' shareholding in our Company*" beginning on page 71 of this Draft Red Herring Prospectus.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

For further details of interest of our Promoters in our Company, see "*Financial Information" – "Related party transactions*" on page 240 of this Draft Red Herring Prospectus.

Our Promoters may also be deemed to be interested to the extent of the remuneration, benefits and reimbursement of expenses payable to them as Directors on our Board. For further details, see "*Our Management*" on page 168 of this Draft Red Herring Prospectus.

Except Ranbir Singh Khadwalia, who is the Promoter, Chairman and Managing Director and Sunita Saini, the Promoters of our Company, none of our other Directors or Group Companies has any interest in the promotion of our Company.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to any firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a director, promoters or otherwise for services rendered by such Promoters or by such firm or company, in connection with the promotion or formation of our Company.

Except to the extent of their Directorship and shareholding in our Group Companies, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. For further details, see "*Our Management*" beginning on page 168of this Draft Red Herring Prospectus.

Except as disclosed in Intellectual property under chapter titled "*Our Business*" on page no. 123 of this Draft Red Herring Prospectus, our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Interest of Promoters in the Property, land, construction of building and supply of machinery

Except as stated in the section "*Our Business*" and "*Financial Information*", beginning on page nos123 and 192, respectively, our Promoters are not interested in the properties acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery, other than in the normal course of business.

Payment of Amounts or Benefits to the Promoters or Promoter Group During the last two years

Except as stated in the section "*Related Party Transactions*" on page no. 240 of this Draft Red Herring Prospectus there has been no payment of benefits paid or given to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

Material Guarantees

Except as stated in the chapters "*Financial Information*" and *"Financial Indebtedness"* on page nos.192 and 282 respectively of this Draft Red Herring Prospectus, our Promoters has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

In addition to our Promoter, the following individuals, companies, partnerships and HUFs, etc. form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

A. Natural Persons who are Part of the Promoter Group

The following individuals form part of our Promoter Group:

Sr. No.	Name of the Promoter	Name of the Relative	Relationship with the Promoter
1.	Ranbir Singh Khadwalia	Ganga Bishan Khadwalia	Father
		Late Chandrawati	Mother
		Sunita Saini	Spouse
		Satbir Singh Saini Attar Saini Mani Ram	Brothers
		Ritu Saini Sudesh Rani Kela Devi Sumitra Saini	Sisters
		Anshul Khadwalia Shubham Khadwalia	Sons
		Dass Kumar	Spouse's Father
		Chandresh Saini	Spouse's Mother
		Ujavender Saini Anil Kumar Saini	Spouse's Brother
		Diksha Khadwalia Vidhushri Khadwalia	Son's Wife
2.	Sunita Saini	Dass Kumar	Father
		Chandresh Saini	Mother
		Ranbir Singh Khadwalia	Spouse
		Ujavender Saini Anil Kumar Saini	Brothers
		Anshul Khadwalia Shubham Khadwalia	Sons
		Ganga Bishan Khadwalia	Spouse's Father
		Late Chandrawati	Spouse's Mother
		Satbir Singh Saini Attar Saini Mani Ram	Spouse's Brothers
		Ritu Saini Sudesh Rani Kela Devi Sumitra Saini	Spouse's Sisters
		Diksha Khadwalia Vidhushri Khadwalia	Son's Wife

B. Companies / Corporate Entities Forming Part of the Promoter Group

The following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group.

Indian Companies (Body Corporate, Trust, LLP, HUF and Firm)

Sr. No.	**Name of Promoter Group Entity/Company**
1.	Futuristic Mining & Construction Solutions LLP
2.	K & A Developers & Infrastructures LLP
3.	TVC Ratings Limited
4.	Indo Farm Industries Limited
5.	Kyoor Healthcare Limited

Companies with which the Promoters has disassociated in the last three years

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus except for resigning from the Board of certain entities.

Sr.No.	**Name of the Companies/Firm**	**Name of the Promoter**	**Date of Resignation**
1.	Kyoor Healthcare Limited	Ranbir Singh Khadwalia	September 05, 2022
2.	Kyoor Healthcare Limited	Sunita Saini	September 05, 2022
3.	Indo Farm Equipment Limited	Sunita Saini	August 05, 2023

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please see the chapter titled "*Capital Structure – Notes to Capital Structure*" beginning on page no. 65 of this Draft Red Herring Prospectus.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled "*Risk Factors*" and chapter titled "*Outstanding Litigation and Material Developments*" beginning on page nos.24 and 296 of this Draft Red Herring Prospectus.

OUR GROUP COMPANIES

Pursuant to a resolution dated September 19, 2023,our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i)such companies (other than subsidiary of our Company) with which there were related party transactions, during the period for which financial information will be disclosed in the Offer Documents, as covered under the Indian Accounting Standard (Ind AS) 24; or (ii) any other company as considered material by the Board ("**Materiality Policy**").

Based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group company (as defined under the SEBI ICDR Regulations and in terms of the Materiality Policy).

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

The declaration of any dividend will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual restrictions, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of the Exchange. The Board may also, from time to time, declare interim dividends from the profits of a particular Fiscal in which such interim dividend is sought to be declared.

Our Company has not declared any dividends on the Equity Shares during the last three Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023, and for the period from April 1, 2023 to until the date of this Draft Red Herring Prospectus. The past trend in relation to our payment of dividends, if any, is not necessarily indicative of future trends in declaration of dividend by our Company or our Company's dividend policy, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors* – 42" on page no. 44 of this Draft Red Herring Prospectus.

SECTION VII – FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

INDIPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS IN CONNECTION WITH PROPOSED INITIAL PUBLIC OFFERING OF EQUITY SHARES BY INDO FARM EQUIPMENT LIMITED.

To,
The Board of Directors
Indo Farm Equipment Limited
EPIP, Phase II, Baddi, Distt. Solan,
Himachal Pradesh

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Indo Farm Equipment Limited (the "Company") and its Subsidiary (Barota Finance Limited) (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 18, 2023 for the purpose of inclusion in the Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (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 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note") read with SEBI Communication as mentioned in Note 2.1 to the Restated Consolidated Financial Information, as applicable.

2. The Group's Management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (the "SEBI"), BSE Limited and National Stock Exchange of India Limited ("NSE") (collectively, with BSE Limited, the "Stock Exchanges") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the Management of the Group on the basis of preparation stated in Note 2.1to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of these Restated Consolidated Financial Information by the management of the Group, as aforesaid. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 25, 2023 in connection with the proposed IPO of equity shares of the Group;

   b. The Guidance Note read with SEBI Communication, as applicable. 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 Consolidated Financial Information; and

d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

a. The audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2023, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 09, 2023

b. The audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2022 and March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 16, 2022 and November 4, 2021 respectively.

5. For the purpose of our examination, we have relied on Auditors report issued by us dated September 09, 2023, September 16, 2022 and November 04, 2021 respectively on the consolidated Financial Statements of the Group as at and for each of the years ended March 31, 2023, 2022 and 2021 respectively as referred to in paragraph 4 above.

6. We did not Audit financial statements of the subsidiary included in the Group for the years March 31, 2023, 2022 and 2021 whose share of total assets, total revenues and net cash inflows / (outflows) included in the restated consolidated financial statements, for the relevant years is tabulated below, which have been audited by M/s Datta Singla & Co.("other auditor") and whose reports have been furnished to us by the Group's management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditor.

(₹ In Millions)

Particulars	**For the year ended**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
No. of Subsidiaries	1	1	1
Total Revenue From Operations	282.31	259.57	198.73
Total Assets	1,600.32	1,515.15	1,197.35
Net Cash Inflows/ (Outflows)	(0.22)	5.71	4.81

Our opinion on the consolidated financial statements is not modified in respect of this matter.

The auditor of the subsidiary, as mentioned above, has examined the restated financial information of the subsidiary, and has confirmed that the restated financial information:

a. Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021.

b. Do not require any adjustment for modification as there is no modification in the underlying Audit reports.; and

c. Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

7. Based on our examination and according to the information and explanations given to us and also as per reliance placed on the examination report submitted by the other auditors, we report that the Restated Consolidated Financial Information:

a. Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021.

b. Do not require any adjustment for modification as there is no modification in the underlying Audit reports.; and

c. Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited consolidated Ind AS financial statements/ audited consolidated Indian GAAP financial statements mentioned in paragraph 4 above.

10. This report should not in anyway be construed as a reissuance or re-dating of any of the previous Audit reports, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report

12. Our report is intended solely for use of the Board of Directors for the purpose for inclusion in the DRHP to be filed with SEBI and Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For DEEPAK JINDAL & CO.
Chartered Accountants
Firm Regn. No.: 023023N

Onkar Singh
(Partner)
M. No.: 514746
Place: Chandigarh
UDIN.: 2351476BGWJTU9919
Date: September 18, 2023

Indo Farm Equipment Limited
Restated Consolidated Statement of Assets and Liabilities
(All amounts in millions unless stated otherwise)

Particulars	Notes	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Assets				
Non-current assets				
Property, Plant & Equipment	5(a)	2,003.72	1,895.51	1,808.01
Capital work-in-progress	5(b)	80.57	195.19	144.06
Other Intangible assets	6	59.72	46.93	28.21
Financial Assets				
Investments	7	0.86	10.74	0.61
Loans	8	918.69	909.10	759.37
Other financial assets	9	14.65	25.54	22.59
Deferred Tax Assets	10	9.60	34.46	50.80
Other Assets	11	32.85	5.91	0.23
Total Non Current Assets		**3,120.67**	**3,123.38**	**2,813.88**
Current assets				
Inventories	12	1,628.85	1,634.98	1,409.18
Financial assets				
Trade receivables	13	743.93	720.33	739.60
Cash and cash equivalents	14	17.59	19.48	15.31
Bank Balances other than Cash and cash equivalents	14	18.67	10.32	9.80
Loans	8	624.86	576.74	414.23
Income Tax Assets	15	2.17	2.17	2.17
Other Assets	11	71.69	110.90	109.58
Total Current Assets		**3,107.75**	**3,074.92**	**2,699.87**
Total Assets		**6,228.41**	**6,198.29**	**5,513.76**
Equity and liabilities				
Equity				
Equity share capital	16	187.76	187.76	93.88
Other Equity		2,717.90	2,560.27	2,518.58
Total Equity		**2,905.66**	**2,748.03**	**2,612.46**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	1,098.46	1,259.98	1,016.29
Other financial liabilities	18	37.84	37.52	39.05
Provisions	19	13.43	9.36	10.02
Total Non-current liabilities		**1,149.74**	**1,306.86**	**1,065.36**
Current liabilities				
Financial liabilities				
Borrowings	17	1,708.07	1,490.03	1,331.50
Trade payables				
Total outstanding dues of Micro Enterprises and Small Enterprises	20	36.78	120.56	105.74
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	272.46	347.69	237.18
Other financial liabilities	18	87.15	104.69	106.03
Other current liabilities	21	19.33	17.47	16.47
Provisions	19	38.24	38.83	31.49
Income tax liabilities	15	10.98	24.14	7.53
Total Current liabilities		**2,173.01**	**2,143.40**	**1,835.94**
Total equity and liabilities		**6,228.41**	**6,198.29**	**5,513.76**

Summary of significant accounting policies **1 to 4**
The accompanying notes 1 to 55 are an integral part of these consolidated financial statements

As per our report of even date

For Indo Farm Equipment Limited
CIN: U29219CH1994PLC015132

For DEEPAK JINDAL & CO.
Chartered Accountants
Firm Regn. No.: 023023N

R.S. Khadwalia
Chairman cum Managing Director
(DIN:00062154)

Anshul Khadwalia
Director
(DIN:05243344)

Onkar Singh
(Partner)
M. No.: 514746

Varun Sharma
Chief Financial Officer
PAN:FNHPS7649L

Navpreet Kaur
Company Secretary
PAN:ANMPK5801G

UDIN: 23514746BGWJTU9919

Gurvinder Singh Chadha
General Manager
PAN:AHEPC6779P

Place: Chandigarh
Date: September 18, 2023

Place : Chandigarh
Date: September 18, 2023

Indo Farm Equipment Limited

Restated Consolidated Statement of Profit and Loss
(All amounts in millions unless stated otherwise)

Particulars	Notes	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
INCOME				
Revenue from operations	**22**	3,707.59	3,520.84	2,677.81
Other income	**23**	10.59	5.29	8.07
Total A		**3,718.18**	**3,526.13**	**2,685.88**
Expenses				
Raw Material Consumed	**24**	2,183.94	2,116.33	1,535.18
Changes in Inventories of Finished Goods And Work-In-Progress	**25**	71.23	(119.93)	-53.31
Employee Benefit Expense	**26**	424.99	371.14	317.80
Finance Cost	**27**	276.43	238.20	212.10
Depreciation and Amortization	**28**	88.25	89.74	80.56
Other Expenses	**29**	450.86	637.91	474.68
Total B		**3,495.69**	**3,333.39**	**2,567.01**
Profit before tax (A-B)		**222.50**	**192.75**	**118.87**
Tax Expense	**10**			
Current Tax		42.80	38.59	23.64
Deferred Tax		21.44	39.06	23.93
MAT utilisation/(recognition)		2.61	(22.10)	(13.62)
Profit for the year		**155.64**	**137.19**	**84.92**
Other Comprehensive Income	**10**			
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit liability		2.81	(2.25)	(16.09)
Income tax related to items that will not be reclassified to profit or loss		(0.82)	0.62	4.48
Other Comprehensive Income/(loss) for the year (net of tax)		**1.99**	**(1.62)**	**(11.61)**
Total Comprehensive income for the period		**157.63**	**135.57**	**73.30**
Earnings per equity share (Restated) (Refer Note 32)				
Basic (Rs.)		4.14	3.65	2.26
Diluted (Rs.)		4.14	3.65	2.26
Summary of significant accounting policies	**1 to 4**			

The accompanying notes 1 to 55 are an integral part of these consolidated financial statements

As per our report of even date

For Indo Farm Equipment Limited
CIN: U29219CH1994PLC015132

For DEEPAK JINDAL & CO.
Chartered Accountants
Firm Regn. No.: 023023N

R.S. Khadwalia
Chairman cum Managing Director
(DIN:00062154)

Anshul Khadwalia
Director
(DIN:05243344)

Onkar Singh
(Partner)
M. No.: 514746

Varun Sharma
Chief Financial Officer
PAN:FNHPS7649L

Navpreet Kaur
Company Secretary
PAN:ANMPK5801G

UDIN.: 23514746BGWJTU9919

Gurvinder Singh Chadha
General Manager
PAN:AHEPC6779P

Place: Chandigarh
Date: September 18, 2023

Place : Chandigarh
Date: September 18, 2023

-

Indo Farm Equipment Limited
Restated Consolidated Statement of Cash Flows
(All amounts in millions unless stated otherwise)

PARTICULARS	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax & Extra Ordinary Items	**222.50**	**192.75**	**118.87**
Adjustments For :			
Depreciation	88.25	89.74	80.56
Loss on sale of investments	0.13	-	-
Preliminary expenses written off	-	0.23	0.33
Provision for Standard Assets	0.13	0.75	(5.57)
Provision for Employees Retirement Benefits	2.50	2.19	6.36
Provision for Non Performing Assets	3.20	(0.87)	3.37
Provision for Warranties & Servicing costs	0.46	2.37	0.62
Gain on investments through FVTPL	(0.13)	(0.12)	(0.15)
Loss/ (Profit) on Sale of Fixed Assets	0.04	2.25	(0.31)
Interest Income	(1.96)	(1.12)	(1.49)
Interest on Borrowings	276.43	238.20	212.10
Dividend Received	(0.04)	(0.03)	(0.03)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**591.50**	**526.32**	**414.66**
Adjustments For :			
(Increase)/Decrease in Inventory	6.13	(225.80)	(124.14)
(Increase)/Decrease in Tade Receivables	(23.60)	13.41	(59.12)
Increase/(Decrease) in Loans and Advances	0.18	(14.79)	34.77
Increase/ (Decrease) in Other Current Assets	39.21	4.54	(53.54)
Increase/(Decrease) in Trade payables	(159.00)	125.33	164.16
Increase/ (Decrease) in Other current liabilities	(15.67)	12.87	33.03
(Increase)/ Decrease in Non Current Assets	(23.46)	(7.96)	(2.54)
(Increase)/ Decrease in Non Current Liabilities	0.32	(0.65)	(6.50)
Prior Period Adjustments	-	(0.55)	(0.48)
OPERATING PROFIT AFTER WORKING CAPITAL CHANGES	**415.61**	**432.73**	**400.30**
Cash Flow From Operating Activities: (Related to Subsidiary Company)			
Increase Short Term Loans and Advance	(48.30)	(161.81)	(172.50)
Increase in Long Term Loans & Advances	(9.59)	(149.72)	(197.57)
CASH GENERATED FROM OPERATIONS	**357.71**	**121.20**	**30.23**
Direct Taxes Paid	**(55.96)**	**(21.44)**	**(18.07)**
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	**301.75**	**99.76**	**12.15**
Extra-Ordinary Items	-	-	-
NET CASH FLOW FROM OPERATING ACTIVITES (A)	**301.75**	**99.76**	**12.15**
CASH FLOW FROM INVESTING ACTIVITES			
Purchase of Fixed Assets	(94.71)	(265.23)	(160.69)
Interest Received	1.96	1.12	1.49
Dividend Received	0.04	0.03	0.03
Sale of Fixed Assets	0.03	18.97	1.24
Sale/(Purchase) of Investments	9.87	(13.09)	0.00
Fixed Deposits Matured/ (Placed)	(0.94)	(1.42)	1.68
NET CASH USED IN INVESTING ACTIVITIES (B)	**(83.74)**	**(259.61)**	**(156.26)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from Term Loans from Banks	(22.90)	319.50	446.32
Proceeds/(Repayment) from Working Capital Limits from Banks	79.42	82.72	(81.82)
Interest Paid	(276.43)	(238.20)	(212.10)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(219.91)**	**164.02**	**152.40**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(1.90)**	**4.17**	**8.30**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	19.48	15.31	7.01
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	**17.58**	**19.48**	**15.31**

Summary of significant accounting policies **1 to 4**
The accompanying notes 1 to 55 are an integral part of these consolidated financial statements

As per our report of even date
For DEEPAK JINDAL & CO.
Chartered Accountants
Firm Regn. No.: 023023N

For Indo Farm Equipment Limited
CIN: U29219CH1994PLC015132

R.S. Khadwalia
Chairman cum Managing Director
(DIN:00062154)

Anshul Khadwalia
Director
(DIN:05243344)

Onkar Singh
(Partner)
M. No.: 514746

Varun Sharma
Chief Financial Officer
PAN:FNHPS7649L

Navpreet Kaur
Company Secretary
PAN:ANMPK5801G

UDIN: 23514746BGWJTU9919

Gurvinder Singh Chadha
General Manager
PAN:AHEPC6779P

Place : Chandigarh
Date: September 18, 2023

Place: Chandigarh
Date: September 18, 2023

A. Equity Share Capital *(Rs. In Millions)*

Balance as at April 1, 2022	Changes in Equity Share Capital Due to Prior Period Errors	Restated Balance as at April,1 2022	Changes in Equity Share Capital during the year 2022-23	Balance as at March 31, 2023
187.76	-	187.76	-	187.76

Balance as at April 1, 2021	Changes in Equity Share Capital Due to Prior Period Errors	Restated Balance as at April,1 2021	Changes in Equity Share Capital during the year 2021-22	Balance as at March 31, 2022
93.88	-	93.88	93.88	187.76

Balance as at April 1, 2020	Changes in Equity Share Capital Due to Prior Period Errors	Restated Balance as at April,1 2020	Changes in Equity Share Capital during the year 2020-21	Balance as at March 31, 2021
93.88	-	93.88	-	93.88

B. Other Equity *(Rs. In Millions)*

Particulars	Other Equity				Total Other Equity
	Security Premium	General Reserves	Statutory Reserve	Retained Earnings	
Balance as at April 1, 2022	**-**	**584.64**	**21.72**	**1,953.91**	**2,560.27**
Changes in other equity for the year ended March 31, 2023					
Bonus Issue of Shares	-	-	-	-	-
Profit for the period	-	-	-	155.64	155.64
Transfer to Statutory Reserve	-	-	7.73	(7.73)	-
Other Comprehensive Income	-	-	-	1.99	1.99
Balance as at March 31, 2023	**-**	**584.64**	**29.45**	**2,103.81**	**2,717.90**

Particulars	Other Equity				Total Other Equity
	Security Premium	General Reserves	Statutory Reserve	Retained Earnings	
Balance as at April 1, 2021	**56.80**	**621.72**	**10.72**	**1,829.34**	**2,518.58**
Changes in other equity for the year ended March 31, 2022					
Bonus Issue of Shares	(56.80)	(37.08)	-	-	(93.88)
Profit for the period	-	-	-	137.19	137.19
Transfer to Statutory Reserve	-	-	11.00	(11.00)	-
Other Comprehensive Income	-	-	-	(1.62)	(1.62)
Balance as at March 31, 2022	**-**	**584.64**	**21.72**	**1,953.91**	**2,560.27**

Particulars	Other Equity				Total Other Equity
	Security Premium	General Reserves	Statutory Reserve	Retained Earnings	
Balance as at April 1, 2020	**56.80**	**621.72**	**3.46**	**1,763.30**	**2,445.28**
Changes in other equity for the year ended March 31, 2021					
Bonus Issue of Shares	-	-	-	-	-
Profit for the period	-	-	-	84.92	84.92
Transfer to Statutory Reserve	-	-	7.26	(7.26)	-
Other Comprehensive Income	-	-	-	(11.61)	(11.61)
Balance as at March 31, 2021	**56.80**	**621.72**	**10.72**	**1,829.34**	**2,518.58**

C. Description of the nature and purpose of other Equity:

(i) Securities Premium: Securities premium reserve is used to record the premium om issue of shares. This has been further used to issue bonus shares to the existing shareholders of the Company.

(ii) General reserve: General Reserve Comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/ utilised by the Company in accordance with the Companies Act.

(iii) Retained Earnings: Retained Earnings comprise of accumulated balance of profits/ (losses) of current and prior years including transfers made to/ from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

(iv) Statutory Resserve: Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund canbe utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Indo Farm Equipment Limited
CIN: U29219CH1994PLC015132

Notes forming part of the Restated Consolidated Financial Information

1. GENERAL INFORMATION

Indo Farm Equipment Limited (the holding company) was incorporated on 5th October, 1994 as a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in Chandigarh, India. The company commenced its operations of manufacture of Tractor and its components in the year 2000.

The Company is incorporated and domiciled in India under the provisions of the Companies Act, applicable in India. The registered office of the company is located at S.C.O 859, NAC Manimajra, Chandigarh.

The Group's restated consolidated financial information for the years ended 31 March, 2023, 31 March, 2022, and 31 March, 2021 were authorized by Board of Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ('financial statements').

2.1 BASIS FOR PREPARATION

i) <u>Statement of Compliance</u>

The Restated Consolidated financial Information of INDO FARM EQUIPMENT LIMITED ("the holding company") and its subsidiary company (BAROTA FINANCE LIMITED) (collectively referred to as "the Group") comprise of the restated consolidated statement of assets and liabilities as at 31 March, 2023, 2022 and 2021, the restated consolidated statement of profit and loss (including Other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the years ended 31 March, 2023, 2022 and 2021, the significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information").

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") to be filed with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited prepared by the Group in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note") read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through Lead Managers (the "SEBI Communication"), as applicable.

These Restated Consolidated Financial Information have been compiled by the Management from:

a) The audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2023, 2022 and 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 09, 2023, September 5, 2022 and October 27, 2021 respectively.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of the Ind AS consolidated financial statements as at and for the year ended 31 March 2023, 2022 and 2021.

This Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Consolidated Ind AS financial statements.

The Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2022 and 2021, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended 31 March 2023, as applicable

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports;

These Restated Consolidated Financial Information were approved in accordance with a resolution of the directors on September 18, 2023.

ii) Functional and Presentation Currency

These Restated Consolidated Financial Information are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Millions, unless otherwise stated.

iii) Principles of Consolidation

The Restated consolidated financial Information comprises the financial statements of Indo Farm Equipments Limited., the Holding company, and its subsidiary company – Barota Finance Limited for the year ended 31 March 2023, 31 March 2022 and 31 March 2021.

The proportion of ownership of the subsidiary company in the Restated consolidation of financial information is as follows-

Name of Company	Proportion of Ownership		
	March 31, 2023	March 31, 2022	March 31, 2021
Barota Finance Limited	100%	100%	100%

As Ind AS is not applicable on Subsidiary company Financial Statements which is a NBFC, So, the Restated consolidated financial Information have been combined on a line-by-line basis by adding the book values of the items of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and resulting unrealized profit in full.

The consolidated financial information are presented, to the extent possible, in the same format as that adopted by the holding company for its separate financial statements.The restated consolidated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company for the years ended 31 March, 2023, 31 March 2022 and 31 March 2021.

iv) Basis of Measurement

The Restated Consolidated financial information have been prepared under historical cost convention on accrual basis except certain items which have been measured at fair value.
Refer Note 36.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

v) Measurement of Fair Values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-----Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
-----Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
-----Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

vi) Use of estimates and judgements

The preparation of Restated Consolidated financial information in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of Restated consolidated financial information, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, provision for product warranties, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

b) Provision for product warranties

The Group recognises provision for warranties in respect of the products that it sells. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

c) Fair value of financial assets and liabilities and investments

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management’s best estimate about future developments.

d) Defined Benefits and other long term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.
The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

vii) Current and Non-Current classification

The Group presents assets and liabilities in the Restated Consolidated Financial Statements based on current/non-current classification.
An asset is treated as current when:

a. It is expected to be realized or intended to be sold or consumed in normal operating cycle;
b. It is held primarily for the purpose of trading;
c. It is expected to be realized within twelve months after the reporting period; or
d. It is cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

a. It is expected to be settled in normal operating cycle:
b. It is held primarily for the purpose of trading;
c. It is due to be settled within twelve months after reporting period; or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

2.2 BORROWING COSTS

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost which are not relatable to the qualifying asset are recognized as an expense in the period in which they are incurred. Borrowing cost on specific loans, used on acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.3 LEASES

As a Lessee
The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of committed lease term. The estimated useful lives of right-of-use are determined as lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

2.4 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a) Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is de-recognized when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

In case of leasehold land, any unearned increase not attributable to lessor and on which Group has right to sell is recognized as own asset and hence the same was not amortized. Any unearned increase not attributable to lessor when the asset is sold is valued at Fair Value and no amortization is provided on the same.

b) Subsequent Expenditure

Subsequent expenditure is recognised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

c) Depreciation

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below.

Asset Class	Management's estimate of useful life (years)	Useful life as per Schedule II to the Companies Act, 2013 (years)
Leasehold land#	Over lease period	-
Plant and machinery	15-40 as the case may be	12-30
Building	60	10-60
Computers	3	3-6
Furniture and fittings	10	10
Office equipment	15	5
Vehicles	8	8-10

only leasehold cost

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready or use/ (disposed off).

Depreciation on leasehold land is provided over lease period and only on leasehold cost paid by the Group. Any unearned increase not attributable to lessor when the asset is sold is valued at Fair Value and no amortization is provided on the same.

d) Capital Work-in-progress
Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

e) Capital advances
Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under “other non-current assets”.

f) De-recognition
An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is de-recognized.

2.5 INTANGIBLE ASSETS

a) Recognition and measurement
Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any.

Internally generated goodwill is not recognized as an asset. With regard to other intangible assets:

- **Technical Knowhow**
  The expenditure incurred is amortised over the estimated period of benefit, commencing with the year of purchase of the technology**.**

- **Development Expenditure**
  Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- **Software Expenditure**
  The expenditure incurred is amortized over the estimated economic life of the asset from the year in which expenditure is incurred.

- **Others**

The expenditure incurred is amortized over the estimated period of benefit.
Intangible assets that are acquired (including goodwill recognized for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization

(for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

b) Subsequent Expenditure

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the Standalone Statement of Profit and Loss, as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives and is generally recognised in depreciation and amortisation expense in the
Standalone Statement of Profit and Loss.

Estimated useful lives of the Intangible assets are as follow:

Category of assets	Management estimate of Useful life
Product Development	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Derecognition

An item of intangible assets is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is derecognised.

2.6 GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.
Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.8 FINANCIAL INSTRUMENTS

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) FINANCIAL ASSETS

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost

of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

b) Debt instrument at fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c) Debt instrument, Derivatives and Equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or

FVOCI criteria, as at FVTPL (Refer Note 7). However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

d) Equity instrument at FVTOCI

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

iii) <u>Impairment of Financial Assets</u>

The Group recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

iv) <u>Derecognition of Financial Assets</u>

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Restated Consolidated Financial Information) when:

a) The rights to receive cash flow from the asset have expired, or

b) The Group has transferred its rights to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to the third party under a ‘pass-through’ arrangement and either (a) the Group has transferred substantially all the risk and rewards of the assets, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but transferred control of the assets.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the group’s continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Write off of financial assets The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

B) FINANCIAL LIABILITIES

i) <u>Initial Recognition and Measurement</u>

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit or Loss and financial liabilities at amortised cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through Profit or Loss, transactions costs directly attributable to the acquisition of financial liabilities are recognized immediately in the statement of Profit or Loss.

The Group's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

ii) **Subsequent Measurement**

a) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

b) Financial Liabilities at Amortised Cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c) Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative income recognised in accordance with principles of Ind AS 115.

iii) **Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C) OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset
and settle the liability simultaneously.

2.9 INVENTORIES

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

The Group uses FIFO method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.11 CONTINGENT LIABILITIES AND ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.12 PROVISIONS

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Warranties
A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Provision on Performing and Non- performing assets
Loans of Subsidiary Company are classified as performing and non-performing assets. The Non-Performing Assets are further classified as Sub-Standard, Doubtful and Loss Assets.
The Provisioning/ Write-off on Assets on overdue assets is as per the management estimates subject to their minimum provision required as per Master Direction – Non-Banking Financial Company- Non-Systematically Important Non-Deposit taking Company (Reserve bank) Directions,2016.

2.13 FOREIGN EXCHANGE TRANSACTIONS

i) **Initial Recognition**

Investments in foreign entities if any, are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) **Conversion**

Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.

iii) **Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise. The exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year.

2.14 REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Group.

Sale of Goods:

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of sales returns and sales tax but including export benefits accruing on export sales. Revenue is also recognised for goods sold but not dispatched, where the property in such goods is transferred from the seller to the buyers and where dispatches could not be made on account of practical difficulties at the buyers' end.

Interest:

Interest is recognized on a time proportion basis taking into account the amount of underlying outstanding and the rate applicable.

Dividends:

Dividend from investments is recognized in the Profit and Loss Account when the right to receive payment is established.

Export Benefits:

Export benefits and other benefits are accounted for on accrual basis.

2.15 EMPLOYEE BENEFITS

Liabilities in respect of employee benefits to employees are provided for as follows:

i) Current Employee Benefits

a) Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Employees' State Insurance ('ESI') is provided on the basis of actual liability accrued and paid to authorities.

c) The Group has adopted a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

d) Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

ii) Post separation employee benefit plan

a) Defined Benefit Plan

Gratuity liability accounted for on the basis of actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Consolidated Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Actuarial gain / loss pertaining to gratuity, post separation benefits and PF trust are accounted for as OCI. All remaining components of costs are accounted for in Consolidated Statement of Profit and Loss.

b) Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Group makes specified monthly contributions towards Government administered provident fund scheme.

Contribution to Provident Fund is made in accordance with provision of Employees Provident Fund Act, 1952, and is recognized as an expense in the statement of Profit and Loss in the period in which the contribution is due.

2.16 INCOME TAX

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Subsidiary Company has applied Section 115BAA of Income Tax Act,1961 during the year.

Deferred tax

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the period in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Group will pay normal income tax during the specified period.

Current and Deferred Tax for the Year

Current and Deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.17 EARNING PER SHARE

i) <u>Basic earnings per share</u>

$$\text{Basic EPS} = \frac{\text{Profit/(Loss) attributable to owners of the Group}}{\text{Weighted average number of equity shares outstanding during the financial year}}$$

ii) Diluted earnings per share

$$\text{Diluted EPS} = \frac{\text{Profit/(loss) attributable to owners of the Group}}{\text{Weighted average number of equity shares outstanding during the year after adjustment for the effects of dilutive potential equity shares}}$$

3 STATEMENT OF CASH FLOW & SEGMENT REPORTING

3.1 STATEMENT OF CASH FLOW

Cash flows are reported using the indirect method, whereby net 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 operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

3.2 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors assess the financial performance and position of the Group, and makes strategic decisions and therefore the board would be the chief operating decision maker. The Group has the following operating/ reportable segments: tractors and its parts, mobile cranes, NBFC.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

4 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

i) **Ind AS 1 – Presentation of Financial Statements**: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

ii) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

iii) **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

(All amounts in millions unless stated otherwise)

5(a) Property, plant and equipment

Particulars	Leasehold land##	Land	Building	Vehicles	Plant and Machinery	Furniture & Fixture	Computer Equipments	Office Equipment	Total
Gross carrying amount									
As at April 01, 2022	690.34	165.67	414.32	131.91	1,147.08	26.89	37.19	18.74	2,632.14
Additions	-	-	0.08	3.64	175.28	5.22	0.92	1.60	186.74
Disposals	-							(0.13)	(0.13)
As at March 31, 2023	**690.34**	**165.67**	**414.40**	**135.54**	**1,322.36**	**32.11**	**38.12**	**20.21**	**2,818.74**
Accumulated depreciation									
As at April 01, 2022	0.70	-	137.23	91.00	436.88	22.82	33.16	14.84	736.63
Charge for the year	0.04		7.18	9.28	59.79	0.95	0.44	0.77	78.45
On disposals								(0.07)	(0.07)
As at March 31, 2023	**0.73**	**-**	**144.41**	**100.28**	**496.67**	**23.77**	**33.61**	**15.55**	**815.02**
Net carrying amount as at March 31, 2023#	**689.60**	**165.67**	**269.99**	**35.27**	**825.68**	**8.34**	**4.51**	**4.66**	**2,003.72**
Gross carrying amount									
As at April 01, 2021	690.34	165.67	414.32	134.61	992.64	26.86	36.75	18.46	2,479.65
Additions			-	27.29	154.45	0.03	0.44	0.28	182.49
Disposals		-	-	(29.99)	-	-	-	-	(29.99)
As at March 31, 2022	**690.34**	**165.67**	**414.32**	**131.91**	**1,147.08**	**26.89**	**37.19**	**18.74**	**2,632.14**
Accumulated depreciation									
As at April 01, 2021	0.66	-	130.05	91.85	380.19	21.94	32.64	14.30	671.64
Charge for the year	0.04	-	7.18	11.00	56.69	0.88	0.52	0.53	76.85
On disposals		-	-	(11.85)	-			-	(11.85)
As at March 31, 2022	**0.70**	**-**	**137.23**	**91.00**	**436.88**	**22.82**	**33.16**	**14.84**	**736.63**
Net carrying amount as at March 31, 2022	**689.64**	**165.67**	**277.09**	**40.91**	**710.20**	**4.07**	**4.03**	**3.90**	**1,895.51**
Gross carrying amount									
As at April 01, 2020	690.34	165.67	375.98	138.15	850.69	26.85	36.68	18.15	2,302.50
Additions	-	-	38.35	0.50	141.95	0.01	0.15	0.39	181.34
Disposals	-	-	-	(4.04)	-		(0.07)	(0.09)	(4.20)
As at March 31, 2021	**690.34**	**165.67**	**414.32**	**134.61**	**992.64**	**26.86**	**36.75**	**18.46**	**2,479.65**
Accumulated depreciation									
As at April 01, 2020	0.63	-	123.41	81.88	332.47	20.28	31.70	13.83	604.20
Impact of error	-	-	-	-	-	-	-	-	-
Charge for the year	0.04	-	6.64	13.18	47.72	1.65	0.97	0.50	70.70
On disposals	-	-	-	(3.21)	-	-	(0.03)	(0.02)	(3.26)
As at March 31, 2021	**0.66**	**-**	**130.05**	**91.85**	**380.19**	**21.94**	**32.64**	**14.30**	**671.64**
Net carrying amount as at March 31, 2021	**689.67**	**165.67**	**284.27**	**42.76**	**612.45**	**4.92**	**4.11**	**4.15**	**1,808.01**

5(b) Capital work in progress

Particulars	Total
As at April 01, 2020	179.89
Incurred during the year	144.06
Capitalised	(179.89)
As at March 31, 2021#	**144.06**
Incurred during the year	195.19
Capitalised	(144.06)
As at March 31, 2022#	**195.19**
Incurred during the year	25.71
Capitalised	(140.32)
As at March 31, 2023#	**80.57**

For details of PPE and ageing of CWIP, refer Note 38

Leasehold land:

a) The leasehold land represents land taken on lease for 95 years

b) The Group does not have any immovable property whose title deeds are not held in the name of the Group except those held under lease arrangements for which lease agreements are duly executed in the favour of the Group.

Indo Farm Equipment Limited
Notes to the Restated Consolidated financial information
(All amounts in millions unless stated otherwise)

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Note-6 "Intangible Assets"			
Technical Know How:			
Opening Gross Carrying Value	**96.07**	**64.47**	**49.29**
Additions during the year	22.59	31.61	15.18
Deletions during the year	-	-	-
Closing Gross Block#	**118.66**	**96.07**	**64.47**
Opening Accumlated amortization	49.15	36.25	26.40
Amortization during the year	9.79	12.89	9.86
Closing Accumlated amortization	**58.94**	**49.15**	**36.25**
Net Carrying value	**59.72**	**46.93**	**28.21**
#For nature and ageing of Intangible assets, refer Note 39			
Note-7 "Non Current Investments"			
Investment in Equity Instruments			
UNQUOTED			
(AT COST)			
In Others			
18,000 equity shares of Rs 10/- each fully paid-up in Shivalik Solid Waste Management Limited(Previous Year Rs. 1.80 lacs)	0.18	0.18	0.18
	0.18	**0.18**	**0.18**
QUOTED			
(Designated and Carried at FVTPL)			
In Others			
1000 equity shares of Rs 10/- each fully paid-up in Canara Bank	0.28	0.23	0.15
1000 equity shares of Rs 10/- each fully paid-up in Max Ventures & Industries Limited	0.13	0.12	0.06
100 equity shares of Rs 10/- each fully paid-up in MCX India Limited	0.15	0.12	0.15
200 equity shares of Rs 10/- each fully paid-up in Jindal Steels & Power Limited	0.11	0.09	0.07
8.05% Canara Bank Perpetual 2026 fully paid-up Bonds	-	10.01	-
	0.68	**10.56**	**0.43**
Total	**0.86**	**10.74**	**0.61**
Note-12 "Inventory"			
(As Certified by The Management)			
Raw Material	795.01	729.92	624.05
Work In Progress	458.65	438.25	507.73
Finished Goods	375.19	466.81	277.41
	1,628.85	**1,634.98**	**1,409.18**
Note-13 "Trade Receivables"			
Unsecured , considered good#	743.93	720.33	739.60
Credit Impaired	68.44	68.44	68.44
	812.37	788.77	808.04
Less: Loss Allowance ##	68.44	68.44	68.44
	743.93	**720.33**	**739.60**
# For ageing of trade receivables, refer Note 37 ## For movement in allowance for impairment of trade receivable, refer Note (36-c(i))			
Note-14 "Cash & Cash Equivalents and Bank Balances"			
a) Cash and Cash Equivalents			
Balance with Banks	5.18	8.42	8.84
Fixed Deposits with original maturity less than 3 months	2.01	1.94	2.83
Cash In Hand (Incl Staff Imprest)	10.40	9.12	3.65
	17.59	**19.48**	**15.31**
b) Bank Balances other than Cash and Cash Equivalents			
Fixed Deposited with Orginal maturity for 3 to 12 Months	18.67	10.32	9.80
	18.67	**10.32**	**9.80**

Indo Farm Equipment Limited
Notes to the Restated Consolidated financial information
(All amounts in millions unless stated otherwise)

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Note-15 "Income Tax Assets/Liabilities"			
Current Tax Liability			
Opening Balance	24.14	7.53	1.00
Add: Current Tax Payable for the year	42.80	38.59	16.75
Less: Taxes paid	55.96	21.99	10.22
Closing Balance	**10.98**	**24.14**	**7.53**
(The closing balance of current tax liablity is net of advance tax and tax deduected at source)			
Income Tax Asset			
Opening Balance	2.17	2.17	2.49
Less: Current Tax Payable for the year	-	-	-
Add: Taxes paid	-	-	-
Less:Taxes Relating to Prior Years/Refund Adjusted/Received	-	-	(0.33)
Closing Balance	**2.17**	**2.17**	**2.17**
Note-19 "Provisions"			
Non Current			
Contingent Provision on Standard Assets	2.17	2.16	1.82
Provision for Non Performing Assets	8.40	5.20	6.07
Provision for Employee Retirement Benefits	2.86	2.00	2.13
	13.43	**9.36**	**10.02**
Current			
Provision for Warranties & Servicing costs	10.37	9.91	7.54
Contingent Provision on Standard Assets	1.55	1.43	1.02
Provision for Employee Retirement Benefits [#]	26.32	27.49	22.92
	38.24	38.83	31.49
Total Provisions	**51.67**	**48.19**	**41.51**
[#] For valuation of Employee benefit plans, refer Note 35			
Note-20 "Trade Payables"			
Total outstanding dues of Micro Enterprises and Small Enterprises[#]	36.78	120.56	105.74
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises[#]	272.46	347.69	237.18
	309.24	**468.25**	**342.92**
[#] For details of MSMEs and ageing of trade payables, refer Note 40			
Note-21 "Other Current Liabilities"			
Statutory Dues Payable	19.33	17.47	16.47
	19.33	**17.47**	**16.47**

(All amounts in millions unless stated otherwise)

Particulars	Non Current			Current		
	31st March 2023	31st March 2022	31st March 2021	31st March 2023	31st March 2022	31st March 2021
Note-8 "Loans"						
Unsecured and Considered Good:						
Other Loans:						
Loans & Advances to Staff	-	-	-	5.78	5.96	5.26
Hypothecation Loans - Secured and considered Good#	868.57	865.31	726.89	581.82	555.37	387.31
Hypothecation Loans - Secured and considered Doubtful#	50.12	43.79	32.48	-	-	-
Trade Advances	-	-	-	37.26	15.41	21.66
	918.69	**909.10**	**759.37**	**624.86**	**576.74**	**414.23**
# For provisioning on the hypothecation loans, Refer Note 19						
Note-9 "Other Financial Assets"						
Security Deposits	12.87	16.35	14.30	-	-	-
Balances with Revenue Authorities	-	-		-		
Bank Deposits with more than 12 Months Maturity	1.78	9.19	8.29	-	-	-
	14.65	**25.54**	**22.59**	**-**	**-**	**-**

Indo Farm Equipment Limited
Notes to the Restated Consolidated financial information

NOTE - 10 "Income Taxes"

Deferred Tax (Assets)/Liabilities (Rs. in Lakhs)

Particulars	As At April 1, 2022	Charge/(Credit) to Profit or Loss	Charge/(Credit) to OCI	As At March 31, 2023
Tax Effect of items resulting in taxable temporary differences				
Allowances on Property, Plant and Equipment and Intangible Assets	113.67	14.55	-	128.22
Others	0.08	0.04	-	0.12
Tax effect of items resulting in deductible temporary differences				
Provision for Employee Benefits	(7.54)	(1.65)	0.82	(8.38)
Carry Forward of Losses	(10.40)	10.40	-	0.00
Others Expenses and Provisions	(22.28)	(1.89)	-	(24.18)
				-
Deferred Tax (Assets)/Liabilities (Net)	**73.53**	**21.44**	**0.82**	**95.79**
Minimum Alternate Tax Credit	(107.99)	2.61	-	(105.38)
Net Deferred Tax (Assets)/Liabilities	**(34.46)**	**24.05**	**0.82**	**(9.60)**

"Deferred Tax (Assets)/Liabilities (Net)" (Rs. In Lacs)

Particulars	As At April 1, 2021	Charge/(Credit) to Profit or Loss	Charge/(Credit) to OCI	As At March 31, 2022
Tax Effect of items resulting in taxable temporary differences				
Allowances on Property, Plant and Equipment and Intangible Assets	111.47	2.21	-	113.67
Others	0.04	0.03		0.08
Tax effect of items resulting in deductible temporary differences				-
Provision for Employee Benefits	(6.91)	(0.01)	(0.62)	(7.54)
Carry Forward of Losses	(47.34)	36.94	-	(10.40)
Others Expenses and Provisions	(22.17)	(0.11)	-	(22.28)
Total Deferred Tax (Assets)/Liabilities (Net)	**35.09**	**39.06**	**(0.62)**	**73.53**
Minimum Alternate Tax Credit	(85.89)	(22.10)	-	(107.99)
Net Deferred Tax (Assets)/ Liabilities	**(50.80)**	**16.96**	**(0.62)**	**(34.46)**

"Deferred Tax (Assets)/Liabilities (Net)" (Rs. In Lacs)

Particulars	As At April 1, 2020	Charge/(Credit) to Profit or Loss	Charge/(Credit) to OCI	As At March 31, 2021
Tax Effect of items resulting in taxable temporary differences				
Allowances on Property, Plant and Equipment and Intangible Assets	110.98	0.49	-	111.47
Others	-	0.04	-	0.04
Tax effect of items resulting in deductible temporary differences				
Provision for Employee Benefits	(0.61)	(1.83)	(4.48)	(6.91)
Carry Forward of Losses	-	(47.34)	-	(47.34)
Others Expenses and Provisions	(94.74)	72.57	-	(22.17)
Total Deferred Tax (Assets)/Liabilities (Net)	**15.64**	**23.93**	**(4.48)**	**35.09**
Minimum Alternate Tax Credit	(72.27)	(13.62)	-	(85.89)
Net Deferred Tax (Assets)/ Liabilities	**(56.64)**	**10.31**	**(4.48)**	**(50.80)**

Note-10 "Income Taxes" (Rs. In Lacs)

Particulars		As At March 31, 2023	As At March 31, 2022	As At March 31, 2021
Current Tax:				
In Respect of Current Year		42.80	38.59	23.64
In Respect of Prior Years		-	-	-
Total (A)		**42.80**	**38.59**	**23.64**
Minimum Alternate Tax Credit:				
Utilisation/(recognition) of Minimum Alternate Tax Credit		2.61	(22.10)	(13.62)
Total (B)		**2.61**	**(22.10)**	**(13.62)**
Deferred Tax :				
In respect of current year origination and reversal of Temporary Differences		22.26	38.44	19.45
In Respect of Prior Year				
Total (C)		**22.26**	**38.44**	**19.45**
Total Income Tax recognised in Profit or Loss	**Total (A+B+C)**	**67.67**	**54.93**	**29.47**

Indo Farm Equipment Limited
Notes to the Restated Consolidated financial information

NOTE - 10 "Income Taxes"

Amount of tax Recognised in other Comprehensive Income

Particulars	For the year ended March 31, 2023		
	Before Tax	Tax Benefit	Net of Tax
Items that will not be reclassified to Proft or Loss			
Remeasurements of defined benefit liablity (asset)	2.81	(0.82)	1.99
	2.81	(0.82)	1.99

Particulars	For the year ended March 31, 2022		
	Before Tax	Tax Benefit	Net of Tax
Items that will not be reclassified to Proft or Loss			
Remeasurements of defined benefit liablity (asset)	(2.25)	0.62	(1.62)
	(2.25)	0.62	(1.62)

Particulars	For the year ended March 31, 2021		
	Before Tax	Tax Benefit	Net of Tax
Items that will not be reclassified to Proft or Loss			
Remeasurements of defined benefit liablity (asset)	(16.09)	4.48	(11.61)
	(16.09)	4.48	(11.61)

Note-11 "Other Assets"

Particulars	Non Current			Current		
	31st March 2023	31st March 2022	31st March 2021	31st March 2023	31st March 2022	31st March 2021
Capital Advances	32.85	5.91	-	34.37	68.45	67.44
Prepaid Expenses	-	-	-	12.73	10.93	6.98
Others	-	-	0.23	24.59	31.51	35.16
Balance with revenue authorities						
	32.85	**5.91**	**0.23**	**71.69**	**110.90**	**109.58**

(All amounts in millions unless stated otherwise)

Particulars	No. of shares	Amount in lakhs
Note - 16 "Share Capital"		
Authorised		
Equity Shares of Rs. 10 each	2,50,00,000	250.00
Issued, Subscribed and Paid up:		
Number of shares as at April 01, 2022	1,87,75,800	187.76
Add: Issue of bonus shares	-	-
Number of shares as at March 31, 2023#	**1,87,75,800**	**187.76**
Number of shares as at April 01, 2021	93,87,900	93.88
Add: Issue of bonus shares	93,87,900	93.88
Number of shares as at March 31, 2022#	**1,87,75,800**	**187.76**
Number of shares as at April 01, 2020	93,87,900	93.88
Add: Issue of bonus shares	-	-
Number of shares as at March 31, 2021#	**93,87,900**	**93.88**
# For reconciliation of share capital and details of shareholding, refer Note 30		

Reconciliation between audited equity and restated equity

Particulars	As at 31 march 2023	As at 31 march 2022	As at 31 march 2021
Equity as per Statutory Consolidated Ind AS Financial Statements	2,905.66	2,751.01	2,613.99
Nature of restated adjustments:			
Interest on income tax	-	(2.99)	(1.53)
Total Adjustment to equity	**-**	**(2.99)**	**(1.53)**
Equity as per Restated Consolidated Ind AS Financial Statements	**2,905.66**	**2,748.03**	**2,612.46**
Total Equity as per Restated Consolidated Financial Information	**2,905.66**	**2,748.03**	**2,612.46**

Reconciliation between audited profits and restated profits

Particulars	As at 31 march 2023	As at 31 march 2022	As at 31 march 2021
Total Comprehensive Income or Profit after tax as per Statutory Consolidated Ind AS Financial Statements	**154.64**	**137.02**	**73.83**
Nature of restated adjustments:			
Interest on income tax	2.99	(1.45)	(0.53)
Total Adjustment	**2.99**	**(1.45)**	**(0.53)**
Profit for the year as per Ind AS	**157.63**	**135.57**	**73.30**
Total Comprehensive Income as per Statutory Restated Consolidat Ind AS Financial Statements, as applicable	**159.63**	**135.57**	**73.30**
Total Comprehensive Income as per Restated Consolidated Financia	**157.63**	**135.57**	**73.30**

Particulars	Non Current			Current		
	31st March 2023	31st March 2022	31st March 2021	31st March 2023	31st March 2022	31st March 2021
Note - 17 "Borrowings"						
Secured#						
Term Loans						
---From Banks	1,056.97	1,166.24	897.29	522.56	323.90	251.31
Working Capital Loans						
---From Banks	-	-	-	1,161.46	1,082.04	999.31
Vehicle Loans						
---From Banks	13.25	18.31	13.38	7.14	6.59	7.98
Unsecured#						
Other Loans						
---From Banks	28.25	75.43	103.18	16.91	77.51	70.05
---Inter Corporate Deposits	-	-	2.44	-	-	2.84
	1,098.46	**1,259.98**	**1,016.29**	**1,708.07**	**1,490.03**	**1,331.50**
# For details of security and maturity profile, refer note 31						
Note - 18 "Other Financial Liabilities"						
Security from Customers	37.84	37.52	39.05	-	-	-
Other Payables	-	-	-	87.15	104.28	105.68
Interest accrued but not due on borrowings	-	-	-	-	0.41	0.35
	37.84	**37.52**	**39.05**	**87.15**	**104.69**	**106.03**

(All amounts in millions unless stated otherwise)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Note-22 "Revenue from Operations"			
Revenue from Contracts with Customers			
----Sale of Manufatured Products			
Export	374.90	186.84	278.99
Domestic	3,085.98	3,117.12	2,235.61
----Sale of Services			
Export	-	-	-
Domestic			
NBFC Interest	225.93	195.88	144.47
Others	15.49	16.29	15.75
---- Other Operating Revenues			
Export Incetives	5.29	4.71	2.99
	3,707.59	**3,520.84**	**2,677.81**
#Refer Note 46 (Segment Information) for revenue disaggregation as per nature of products			
Note-23 "Other income"			
Other Interest	1.96	1.12	1.49
Dividend From Investments	0.04	0.03	0.03
Profit on Sale of Fixed Assets	-	0.83	0.31
Gain on Investments carried at Fair value through profit or Loss	0.13	0.12	0.15
Gain from Foreign exchange transaction	5.63	0.09	2.55
Miscellaneous income	1.48	0.55	0.68
Rent Received	0.08	0.09	0.08
Insurance Income	1.26	2.45	2.78
	10.59	**5.29**	**8.07**
Note-24 "Raw Material Consumed"			
Opening stock	729.92	624.05	553.22
Add : Purchases during the year	2,249.04	2,222.20	1,606.01
	2,978.96	2,846.24	2,159.23
Less : Closing stock	795.01	729.92	624.05
	2,183.94	**2,116.33**	**1,535.18**
Progress"			
Inventory (At Close)			
Finished Goods	375.19	466.81	277.41
Work in Process	458.65	438.25	507.73
	833.84	**905.07**	**785.14**
Inventory (At Commencement)			
Finished Goods	466.81	277.41	304.32
Work in Process	438.25	507.73	427.51
	905.07	**785.14**	**731.83**
Change in Inventory	**-71.23**	**119.93**	**53.31**
Note-26 "Employee benefits expense"			
Salaries & Wages	363.59	317.30	256.80
Remuneration To Directors	32.93	26.22	25.41
Contribution to Provident and Other Funds	16.16	16.33	12.90
Staff Welfare	7.99	8.47	14.92
Gratuity & Leave Encashment	4.32	2.83	7.76
	424.99	**371.14**	**317.80**

Indo Farm Equipment Limited
Notes to the Restated Consolidated financial information
(All amounts in millions unless stated otherwise)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Note-27 "Finance costs"			
Interest expenses	254.69	222.90	198.80
Other Borrowing Cost	21.74	15.30	13.30
	276.43	**238.20**	**212.10**
Note-28 "Depreciation & Amortization Expense"			
Depreciation of property, plant and equipment	78.45	76.85	70.70
Amortisation of Intangible Aseets	9.79	12.89	9.86
	88.25	**89.74**	**80.56**
Note-29 "Other expenses"			
Manufacturing Expenses :			
Power, Fuel & Elecricity Expenses	56.83	54.91	39.82
Job Work Charges	12.90	21.59	12.74
Total - "A"	**69.73**	**76.49**	**52.56**
Administrative Expenses :			
Audit Fees	2.40	2.00	1.44
Misc. Expenses	4.83	4.19	2.69
Insurance	8.32	8.80	6.66
Legal & Professional Charges	9.41	8.52	4.48
Loss on sale of Fixed Assets	0.04	3.08	-
Printing & Stationery	1.40	1.00	0.98
Rate,Fee & Tax	7.58	8.29	4.68
Rent	9.70	9.49	9.22
Recordkeeping Charges	0.17	0.16	0.06
Repairs			
-Building	1.41	0.61	1.33
-Plant & Machinery	1.27	0.16	0.16
-Others	2.24	1.77	1.95
R&D Expenses	4.90	4.60	5.86
Vehicle Running & Maintenance	12.46	15.58	13.40
Telephone & Communications	4.65	3.11	2.26
Travelling & Conveyance Expenses			
-Director	5.81	2.09	1.93
-Others	45.27	39.88	30.32
CSR Expenses (Refer Note 42)	2.68	2.65	1.92
Repossession Charges	2.21	1.76	1.43
Fine & Penalty	0.13	0.03	0.78
Contingent Provision for Standard Assets	0.13	0.75	(5.57)
Provision for NPA's	3.20	(0.87)	3.37
Preliminary Expenses Off	-	0.23	0.33
Loss on sale of repossessed assets	4.50	4.88	3.46
Loss on sale of investments	0.13	-	-
Total - "B"	**134.84**	**122.75**	**93.15**
Selling Expenses :			
Advertisement Expenses	1.29	3.15	3.00
Business promotion	4.38	9.24	5.91
Commission	14.71	12.77	4.25
Rebate Discount & Incentives	144.73	315.59	238.92
Freight & Cartage on Sale	65.11	72.85	51.47
After sale service expenses	7.56	7.35	9.68
Vat Expenses	-	1.68	2.88
Foreign exchange transaction Loss	-	0.74	-
Total - "C"	**246.28**	**438.66**	**328.97**
Grand Total ("A" + "B" + "C")	**450.86**	**637.91**	**474.68**

NOTES

30. SHARE CAPITAL

i) The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the 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.

ii) Reconciliation of share capital

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount (in millions)	Number of Shares	Amount (in millions)	Number of Shares	Amount (in millions)
Balance at the beginning of the year	1,87,75,800	1,87.76	93,87,900	93.88	93,87,900	93.88
Add : Issue of bonus shares	-	-	93,87,900	93.88	-	-
Balance at the end of the year	**1,87,75,800**	**1,87.76**	**1,87,75,800**	**1,87.76**	**93,87,900**	**93.88**

iii) Shareholders holding more than 5% of the shares

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
R.S. Khadwalia*	1,01,63,200	54.13	1,01,63,200	54.13	50,77,600	54.08
Sunita Saini*	53,25,174	28.36	53,25,174	28.36	26,62,587	28.36
M/s Futurisitic Mining Constructions Solutions LLP*	21,85,980	11.64	21,85,980	11.64	10,92,990	11.64

***Includes shares issued as bonus shares**

Equity Share movement during the 5 years preceding March 31,2023:

1. The Company allotted 93,87,900 equity shares as fully paid-up bonus shares by capitalisation of profits transferred from securities premium account amounting to Rs. 56.80 millions, and general reserve amounting to Rs. 37.08 millions on 08th February, 2022, pursuant to an ordinary resolution passed after taking the consent of shareholders.

2. The Company has made a right issue of 3,20,000 equity shares of Rs. 10 each at a premium of 177.50 on 21st September 2018, pursuant to a Resolution approved by Board of Directors.

iv) Shareholding of promoters*

Promoter Name	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
R.S. Khadwalia	10,16,3200	54.13	1,01,63,200	54.13	50,77,600	54.08
Sunita Saini	53,25,174	28.36	53,25,174	28.36	26,62,587	28.36

* Promoters as per Board Resolution dated 17th March 2023.

v) Issue of Bonus Shares (after Balance sheet date)

The holding Company has allotted 1,87,75,800 equity shares as fully paid-up bonus shares to its existing equity shareholders in the ratio of 1:1 by capitalisation of profits transferred from free reserves amounting to

Rs. 1,87.76 millions on 22nd August 2023 pursuant to a special resolution passed by the shareholders in Extra Ordinary General Meeting after taking consent of shareholders.

31. BORROWINGS

A. SECURED LOANS (Rs. In millions)

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Working Capital Loans from Bank#	-	1,161.46	-	1,082.03	-	999.31
Term Loans from bank##	1,056.97	522.57	1,166.24	323.90	897.29	251.31
Vehicle Loans From Banks	13.25	7.14	18.31	6.59	13.38	7.98
Total	**1,070.22**	**1,691.17**	**1,184.55**	**1,412.52**	**910.67**	**1,258.6**

Working capital limit amounting to Rs. 1,161.46 millions (31.03.2022: Rs. 1,082.04 millions, 31.03.2021: Rs. 999.31 millions) taken from bank is secured by the personal guarantee of the directors of Group.

Term loans amounting to Rs. 1,242.65 millions (31.03.2022: Rs. 1,094.28 millions, 31.03.2021: Rs. 872.35 millions) are secured by way of personal guarantee of the directors of Group.

B. UNSECURED LOANS (Rs. In Millions)

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Other Unsecured Loans from Banks	28.25	16.91	75.43	25.07	103.18	70.05
Inter Corporate Deposits	-	-	-	2.44	24.44	2.84
Working Capital Demand Loan from Bank	-	-	-	50.00	-	-
Total	**28.25**	**16.91**	**75.43**	**77.51**	**1,056.25**	**728.93**

I. Terms of outstanding Borrowings long-term borrowings as on 31st March 2023:

1. Working Capital Term Loan under GECL 2.0 Scheme from Canara Bank & Punjab National Bank

a) <u>Security:</u>

The loans are secured by way of charge on assets created out of facility so extended and additional WCTL under GECL shall rank pari-passu second charge with existing credit facilities in terms of cash flows and security.

b) <u>Terms of Repayment:</u>

The loans are repayable within a period of 2.5 years to 5 years.

a) <u>Rate of Interest:</u>

The loans carry interest rate ranging between 9% to 9.30%

2. Working capital Term Loans of Rs. 3.55 Crores and Rs. 1.98 Crores under GECL by Federal Bank

a) <u>Security:</u>

The loans are secured by way of interest/charge on all movable and immovable assets created out of WCTL and collaterally secured by way of 2nd Charge on Residential Property, opp. Cantt. Area, Chandigarh in the name of Mr. R.S. Khadwalia and Ms. Sunita Saini. Further, WCTL of Rs. 1.98 Crores is collaterally secured by way of second charge on Land situated at Bhopal.

b) <u>Terms of Repayment:</u>

The loans are repayable within a period of 3.5 years to 5 years.

c) **Rate of Interest:**

The loans carry interest rate of 9.25%

3. **Working capital Term Loans of Rs. 1.74 Crores**

a) Security:

The loan is secured by way of interest/charge on all movable and immovable assets created out of WCTL and collaterally secured by way of second Charge on land situated at Bhopal.

b) Terms of Repayment:

The above loan is repayable within a period of 3-3.5 years

c) Rate of interest:

The loan amounting carries an interest rate of 9.25%.

4. **Term Loan of Rs 5.20 Crores and Rs.1.66 Crores sanctioned by Federal Bank**

a) Security:

The loans are collaterally secured by way of 1st charge on land situated at Bhopal. Further these term loans are primarily secured by way of hypothecation of equipment procured out of term loan. Further secured by way of personal guarantee of Ranbir Singh Khadwalia, Sunita Saini, and Anshul Khadwalia.

b) Terms of Repayment:

The loan amounting Rs. 1.66 crores has been repaid by the Company in the F.Y. 2022-23, another loan of Rs. 5.20 crores will be repaid in next 1-2 years.

c) Rate of interest:

The loan amounting Rs. 5.20 crores carries an interest rate of 9.75% which is linked to repo rate.

5. **Working Capital Limits and COVID Demand Loans from Canara Bank & Punjab National Bank**

a) Security:

The working capital limits and demand loans are secured by way of 1st Pari-Passu Charge on all the current assets (present & future) of the Company and further collaterally secured by way of 1st Pari-Passu Charge on all the fixed assets of the Company excluding following assets:

- vehicles,
- land building situated at Mumbai,
- land situated at Bhopal mortgaged to Federal Bank and
- specific machinery which is hypothecated to Siemens Ltd.

Further working capital limits (except COVID Loans) are secured by way of personal guarantee of Ranbir Singh Khadwalia, Sunita Saini, S.P. Mittal and Anshul Khadwalia.

Further the term loans of Barota finance Limited (Wholly owned Subsidiary are also secured by way of Pari Passu charge on above fixed assets (except specific assets as excluded)

b) **Terms of Repayment:**

The working capital limits are repayable within a year and the COVID Demand loans have been fully repaid by the Company in the F.Y. 2022-23.

c) Rate of Interest:

The working capital limits carry an interest rate ranging from 9.75% to 9.90% which is linked to MCLR rate or Repo rate as applicable.

6. **Vehicle loans**

a) **Security:**

The Vehicle loans are secured by the charge of respective vehicles for which loan have been taken.

b) **Terms of Repayment:**

The loans are repayable within a period of 1 to 6 years.

c) **Rate of Interest:**

The working capital limits carry an interest rate ranging from 7.00% to 9.00%.

7. **Term Loans from Canara Bank**

a) **Security**

The loans are secured by way of first and Exclusive Charge by hypothecation on the receivables (Standard Assets) of the Company and Execution of power of attorney to enable bank to recover money directly from the borrower of the company in the event of default and Personal guarantee of directors & corporate guarantee of Indo Farm Equipment Limited.

b) **Terms of Repayment**
The loans are payable within 1.5 to 4.5 years.

c) **Rate of Interest:**
The loans carry an interest ranging from 9.35% to 10.00%

8. **Term loan from The Federal Bank**

a) **Security:**
The term loan is secured by way of Equitable mortgage of residential property Owned by the directors of the company and Personal guarantee of directors & corporate guarantee of Indo Farm Equipment Limited.

b) **Terms of Repayment:**
The loan has been fully repaid by the Company in the F.Y. 2022-23.

c) **Rate of Interest:**
The loan carried an interest rate of 9.15% p.a.

9. **Term loan from Punjab National Bank**

a) **Security:**
The loans are secured by way of first and Exclusive Charge by hypothecation on the receivables (Standard Assets) of the Company and collaterally secured by the fixed assets in the name of Holding Company.

b) **Terms of Repayment:**
The loan is repayable within 4.5 to 5 years.

c) **Rate of Interest:**
The loan carried an interest rate of 9.40% p.a.

10. Further term loans of Subsidiary Company are secured by way of Pari Passu charge on above mentioned fixed assets (except specific assets excluded).

II. Maturity Profile:

A. Secured Loans

(Rs. In Millions)

Particulars	< 1 year	1 – 2 years	2 - 5 years	Beyond 5 years
From Banks:				
- Term Loans	522.56	473.24	583.73	-
- Working capital loan	1,161.46	-	-	-
- Vehicle Loans	7.14	4.40	8.22	0.63

B. Unsecured Loans

(Rs. In Millions)

Particulars	< 1 year	1 – 2 years	2 - 5 years	Beyond 5 years
From Banks:				
- Other Loans	16.91	18.31	9.94	-

32. EARNINGS PER SHARE (EPS)

a) Basic Earnings Per Share

(Rs. In Millions)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Profit/(Loss) as per statement of profit and loss	155.64	1,37.19	84.92

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Weighted average number of equity shares outstanding	375.52	375.52	375.52
Basic EPS (In Rs)	**4.14**	**3.65**	**2.26**

b) Diluted Earnings Per Share

(Rs. in Millions)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Profit attributable to equity shareholders (diluted)	155.64	1,37.19	84.92
Weighted average number of equity shares (diluted)*	375.52	375.52	375.52
Weighted average number of equity shares (basic)*	375.52	375.52	375.52
Effect of exercise of share option	-	-	-
Weighted average number of equity shares (diluted) for the year	375.52	375.52	375.52
Diluted earnings per share	**4.14**	**3.65**	**2.26**

* Weighted average number of shares is calculated after taking the effect of bonus shares issued after balance sheet date. (Refer point (v) in Note No. 30)

33. COMMITMENTS

(Rs. In Millions)

Sr. No.	Particulars	31.03.2023	31.03.2022	31.03.2021
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	10.35	19.83	Nil

34. CONTINGENT LIABILITIES

(a) Contingent liabilities (not provided for) in respect of:

(Rs. in Millions)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i)	Counter guarantee to bank	12.59	2.29	2.07
ii)	Bond Executed by the Group in favour of DGFT	6.82	6.82	6.82
iii)	Claims against the Group not acknowledged as debts	40.57	31.23	29.73
iv)	Excise matters in dispute #	30.37	30.37	30.37
v)	Consumer cases in dispute/Under appeal*	25.83	23.17	24.07
vi)	Bill Discounting	61.27	-	57.85
vii)	Income Tax matters in dispute##	4.94	3.12	3.12
	Total	**182.39**	**96.99**	**153.38**

Excise cases related to years November 2003-January 2005 was already decided in favour of Group by Commissioner (Appeals), Customs and Central Excise, Chandigarh and the demand was deleted.

However, the department has elected to file appeal against order with Customs Excise and Service Tax Appellate Tribunal (CESTAT).
The management is hopeful that, same will decided in favour of Group and no material liability will devolve on the Group in respect of these matters.

The Group believes, these claims are not tenable and chances of claim materializing are remote. The Group is certain of getting a favorable judgement in the favour of the Group.

***** Interest and claims by customers, suppliers, lenders and employees may be payable as and when the outcome of the related matters are finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Group in respect of these matters.

35. EMPLOYEE BENEFITS PLAN

a) Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Group contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

These plans typically expose the Group to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment Risk
The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Rate Risk
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity Risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk
Higher than expected increases in salary will increase the defined benefit obligation.
The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows :-

i) In case of Holding Company[#]:

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	7.40% p.a.	7.20%	6.80% p.a.
Future salary increase	6.50% p.a.	6.50%p.a.	6.50% p.a.
Withdrawal rate	3% <30yrs; 2% >=30yrs but<44yrs; 1%>=44yrs	3% <30yrs; 2% >=30yrs but<44yrs; 1%>=44yrs	3% <30yrs; 2% >=30yrs but<44yrs; 1%>=44yrs
Expected average remaining working lives of employees	24.19 years	25.83 years	24.58 years
Retirement Age	60 years	60 years	60 years
In Service Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

Amounts recognized in statement of profit and loss in respect of this defined benefit plan are as follows :-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:			
Current service cost	2.68	3.14	2.18
Net Interest expense/(income)	1.16	0.67	(0.49)
Employer's direct benefit payments cost (as per contra)	-	-	-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of defined benefit costs recognized in profit or loss	**3.80**	**3.81**	**1.69**
Re-measurement on the net defined benefit liability:			
Return on plan assets (excluding amounts included in net interest expense)	0.03	0.08	0.01
Actuarial (gains)/losses arising from changes in financial assumptions	(0.49)	(1.15)	-
Actuarial (gains)/losses arising from experience adjustments	(2.35)	3.32	16.08
Components of defined benefit costs recognized in other comprehensive income	**(2.81)**	**2.25**	**16.09**

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of defined benefit obligation	18.45	19.30	17.36
Fair value of plan assets	2.20	3.80	7.56
Net liability/ (asset) arising from defined benefit obligation	**16.25**	**15.50**	**9.80**

Movements in the present value of the defined benefit obligation are as follows :-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	19.30	17.36	0.69
Current service cost	2.68	3.14	2.18
Past service cost	-	-	-
Interest cost	1.39	1.18	0.05
Actuarial loss/(gain) recognized during the year	(2.84)	2.16	16.08
Benefits paid	(2.08)	(4.54)	(1.65)
Closing defined benefit obligation	**18.45**	**19.30**	**17.36**

Movements in the fair value of plan assets are as follows :-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair Value of plan assets at beginning of year*	3.80	7.56	7.95
Interest Income	0.27	0.51	0.51
Employer’s contribution	0.01	-	0.62
Benefit paid	(1.86)	(4.54)	(1.56)
Actuarial gain/(loss) on plan assets	-	-	-
Actual return on plan assets excluding interest income	(0.03)	(0.08)	(0.01)
Fair Value of plan assets at the end of the year	**2.20**	**3.80**	**7.56**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of the change in discount rate			
Impact due to increase of 1.00%	(2.19)	(2.49)	(2.28)
Impact due to decrease of 1.00%	2.63	2.96	2.77
Impact of the change in future salary growth rate			
Impact due to increase of 1.00%	2.60	2.97	2.75
Impact due to decrease of 1.00%	(2.23)	(2.45)	(2.30)

b) Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows :-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	7.40% p.a.	7.20% p.a.	6.80% p.a.
Future salary increase	6.50% p.a.	6.50% p.a.	6.50% p.a.
Withdrawal rate	3%<30yrs; 2% >=30yrs but <44yrs; 1%>=44yrs	3%<30yrs; 2% >=30yrs but <44yrs; 1%>=44yrs	3%<30yrs; 2% >=30yrs but <44yrs; 1%>=44yrs
Expected average remaining working lives of employees	24.19 years	25.83 years	24.58 years
Retirement Age	60 years	60 years	60 years
In Service Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

Amounts recognized in statement of profit and loss in respect of this defined benefit plan are as follows :-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:			
Current service cost	2.03	2.10	1.56
Net Interest expense/(income)	0.54	0.27	(0.07)
Employer's direct benefit payments cost (as per contra)	-	-	-
Actuarial (gain)/loss due to change in financial assumptions	(0.11)	(0.27)	-
Actuarial (gain)/loss due to change in experience variance	(2.39)	1.76	4.12
Actuarial (gain)/loss of plan assets	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	0.03	(0.02)
Components of defined benefit costs recognized in profit or loss	**8.09**	**3.89**	**2.61**
Re-measurement on the net defined benefit liability:			
Return on plan assets (excluding amounts included in net interest expense)	-	-	
Actuarial (gains)/losses arising from changes in financial assumptions	-	-	
Actuarial (gains)/losses arising from experience adjustments	-	-	

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of defined benefit costs recognized in other comprehensive income	-	-	-

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of defined benefit obligation	7.69	8.09	5.44
Fair value of plan assets	(0.27)	(0.55)	(1.45)
Net liability/ (asset) arising from defined benefit obligation	**7.42**	**7.53**	**3.99**

Movements in the present value of the defined benefit obligation are as follows :-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	8.09	5.44	0.28
Current service cost	2.03	2.10	1.56
Past service cost	-	-	-
Interest cost	0.58	0.37	0.02
Actuarial loss/(gain) recognized during the year	(2.50)	1.49	4.12
Benefits paid	(0.51)	(1.32)	(0.54)
Closing defined benefit obligation	**7.69**	**8.09**	**5.44**

Movements in the fair value of plan assets are as follows :-

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair Value of plan assets at beginning of year*	0.55	1.45	1.23
Interest Income	0.04	0.10	0.08
Expected return on plan assets	-	-	-
Employer’s contribution	0.01	0.00	0.49
Benefit paid	(0.34)	(0.97)	(0.38)
Actuarial gain/(loss) on plan assets	-	-	-
Actual return on plan assets excluding interest income	(0.01)	(0.03)	2.19
Fair Value of plan assets at the end of the year	**0.26**	**0.55**	**1.45**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occur1ring at the end of the year, while holding all other assumptions constant.

(Rs. in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of the change in discount rate			
Impact due to increase of 1.00%	(0.53)	(0.58)	(0.40)
Impact due to decrease of 1.00%	0.61	0.67	0.46
Impact of the change in future salary growth rate			

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact due to increase of 1.00%	0.61	0.66	0.46
Impact due to decrease of 1.00%	(0.54)	(0.59)	(0.41)

c) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the standalone statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident and other funds for the year aggregated to ₹16.16 millions (March 31, 2022: ₹ 16.33 millions, March 31, 2021: 12.90 millions).

ii) In case of Subsidiary Company #:

Membership data at the date of valuation and statistics based thereon:

Membership Data	
Number of employees	215
Total monthly salary (Rs. In millions)	2.43
Total Monthly CTC for Availment (Rs. In millions)	5.77
Average Age(Years)	34
Average Past Service(Years)	1.69
Average Future Service (year)	7.98
Average Accumulated leave per employee (in days)	19

Actuarial Assumptions	
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.
Attrition	10%
Disability	No Explicit allowance
Leave Availment factor	50%
Discount rate	7.50% p.a
Estimated rate of increase in Compensation Levels	6.50% p.a.

Classification of Liabilities as on 31st March, 2023

(Rs. In Millions)

Classification	Gratuity	Leave Encashment
Current	0..02	0.16
Non-Current	2.16	0.70
Total	2.18	0.86

Changes in Present Value of Obligations

(Rs. In Millions)

Particulars	Gratuity	Leave
Present Value of Obligations as on 01/04/2022	1.55	0.55
Interest Cost	0.12	0.04
Past Service Cost	-	-
Current Service Cost	1.05	0.46
Benefits Paid	-	(0.02)
Actuarial (gain)/loss on obligations	(0.53)	(0.18)
Present Value of Obligations as on 31/03/2023	2.18	0.86

The financial statements of subsidiary company are being prepared as per Indian GAAP so the employee benefit calculation is not available as per IND AS methodology.

36. FINANCIAL INSTRUMENTS

a) Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities.

(Rs. in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value			
Investments	0.68	0.55	0.43
Financial assets measured at amortized cost			
Investments	0.18	10.19	0.18
Trade receivables	743.93	720.33	739.60
Loans	1543.55	1,485.84	1,173.61
Cash and cash equivalents	17.59	19.48	15.31
Other bank balances	18.67	10.32	9.80
Other financial assets	14.65	25.54	22.59
Total Financial Assets	**2,339.24**	**2,272.24**	**1,961.52**
Financial liabilities measured at amortised cost			
Long term borrowings	1,098.46	1,259.98	1,016.29
Short term borrowings	1,708.07	1,490.32	1,331.50
Trade payables	309.24	468.25	342.92
Other financial liabilities	125.00	142.21	145.08
Total Financial Liabilities	**3,240.77**	**3,360.47**	**2,835.79**

b) Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three category depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value as at March 31, 2023

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in Shares	0.68	-	-	**0.68**

Financial assets and liabilities measured at fair value as at March 31, 2022

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in Shares	0.55	-	-	**0.55**

Financial assets and liabilities measured at fair value as at March 31, 2021

(Rs. in Millions)

Particulars	Level 1	Level 2	Level 3	Total
Investments				
Investment in Shares	0.43	-	-	**0.43**

c) **Financial Risk Management**

The Group is exposed to various types of financial risks in conduct of its business activities. The main risks to which it is exposed includes market risk, liquidity risk and credit risk.

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has exposure to the following risks arising from financial instruments: -
- credit risk
- liquidity risk
- market risk

The group primarily focuses on managing financial risks to reduce potential adverse effects of these risks on its financial performance.
The financial risks are managed by Policy approved by Board of Directors in this regard.

i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.
The carrying amounts of financial assets represent the maximum credit exposure.

(Rs. in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Investments	0.86	10.74	0.61
Trade Receivables	743.93	720.33	739.61
Loans	1,543.55	1,485.84	1,173.61
Cash and cash equivalents	17.59	19.48	15.31
Other bank balances	18.67	10.32	9.80
Other financial assets	14.65	25.54	22.59
Total	**2,339.24**	**2,272.24**	**1,961.52**

Expected credit losses for financial assets other than trade receivables

The Group maintains its cash and cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with cash and cash equivalent and bank deposits is relatively low.

Loans majorly comprise of hypothecation loans given by NBFC to its customers. It further includes loans given to employees, which would be adjusted against salary of the employees and hence credit risk associated with such amount is also relatively low.
Investments in Shares are measured at mark to market hence, the credit risk associated with these investments already considered in valuation as on reporting date.
Other financial assets include:

- Security deposits given for operational activities of the Group which will be returned to the Group as per the contracts with respective parties. The Group monitors the credit ratings of the counterparties on regular basis. These security deposits carry very minimal credit risk based on the Group's historical experience of dealing with the parties.
- Balance with revenue authorities comprises of GST input credit that can be claimed in future by the Group. The revenue authorities here refer to the Government department of Goods and Service tax. These balances carry very minimal or no credit risk as these are outstanding with the government authorities.

Movement in the allowance for impairment in respect of financial assets other than trade receivables:

(Rs. in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	8.79	8.91	11.10
Additional provision during the year	3.33	-	-
Deductions on account of write offs and collections	-	0.12	2.19

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the end of the year	**12.12**	**8.79**	**8.91**

Expected credit losses for trade receivables

Credit risks related to receivables is managed by Group's management by implementing policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on trade receivables by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trends of defaults relating to each business segment. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables (other than those where defaults criteria are met).

The Group evaluates the concentration of risk with respect to trade receivables low, since its customers are from various industries, jurisdictions and operate in independent markets. These receivables are written off when there is no reasonable expectation of recovery. There are no receivables which are in default as at year end but the management allows for the impairment of trade receivables based on its historical experience of collection from its customers.

Movement in the allowance for impairment in respect of trade receivables:

(Rs. in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	68.44	68.44	68.44
Additional provision during the year	-	-	-
Deductions on account of write offs and collections	-	-	-
Balance at the end of the year	**684.35**	**68.44**	**68.44**

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Group is capital preservation and liquidity in preference to returns. The Group consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use. The Group manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs. in Millions)

Particulars	Carrying Value	Contractual cash flows				
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
As at March 31, 2023						
Borrowings	2,806.53	1,708.07	495.99	601.89	0.63	2,806.53
Trade Payables	309.24	304.40	4.85	-	-	309.24
Other financial liabilities	125.00	87.16	37.84	-	-	125.00
	3,240.77	**2,099.62**	**538.64**	**601.89**	**0.63**	**3,240.77**
As at March 31, 2022						
Borrowings	2,750.01	1,490.03	408.05	803.61	48.32	2,750.01
Trade Payables	360.75	357.75	0.26	2.74	-	360.75
Other financial liabilities	249.71	212.18	37.52	-	-	249.71
	3,360.47	**2,059.95**	**445.83**	**806.35**	**48.32**	**3,360.47**
As at March 31, 2021						

Particulars	Carrying Value	Contractual cash flows				
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	2,347.79	1,331.50	296.79	704.73	14.77	2,347.79
Trade Payables	342.92	336.00	6.92	-	-	342.92
Other financial liabilities	145.08	106.03	39.05	-	-	145.08
	2,835.79	**14,375.31**	**3,358.41**	**7,047.32**	**147.71**	**2,835.79**

iii) Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- **Foreign Currency Risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Group undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited hence the Group does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows

(Rs. in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Financial assets	88.70	51.27	34.97
Financial liabilities	-	-	-
Net exposure to foreign currency risk (liabilities)/assets	**88.70**	**51.27**	**34.97**

Sensitivity

A reasonably possible strengthening (weakening) of the US dollar against ₹ at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

The sensitivity of profit/ (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs. in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
USD sensitivity (Impact on profit before tax)			
₹/USD increase by 200 bps*	1.77	1.03	0.70
₹/USD decrease by 200 bps*	(1.77)	(1.03)	(0.70)
USD sensitivity (impact on equity post tax)			
₹/USD increase by 200 bps*	1.26	0.74	0.51
₹/USD decrease by 200 bps*	(1.26)	(0.74)	(0.51)

*Holding all other variables constant

- **Interest rate risk**

The Group's interest rate risk arises from debt borrowings. Group's borrowings are issued at variable rates that expose the Group to cash flow interest rate risk.

Exposure to interest rate risk:- The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(Rs. in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings			
Current borrowings from bank	1,708.07	1,490.03	1,334.50
Non-Current borrowings from bank	1,098.46	1,259.98	1,016.29
Total Borrowings	**2,806.53**	**2,750.01**	**2,347.79**

Fair value sensitivity analysis of interest rate

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.
A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable-rate instruments for the year ended March 31, 2023

(Rs. in Millions)

Particulars	Impact on profit before tax - 50 bps increase	Impact on profit before tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable-rate instruments	14.03	(14.03)	10.16	(10.16)
Total	**14.03**	**(14.03)**	**10.16**	**(10.16)**

Cash flow sensitivity analysis for variable-rate instruments for the year ended March 31, 2022

(Rs. in Millions)

Particulars	Impact on profit before tax - 50 bps increase	Impact on profit before tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable-rate instruments	13.75	(13.75)	10.57	(10.57)
Total	**13.75**	**(13.75)**	**10.57**	**(10.57)**

Cash flow sensitivity analysis for variable-rate instruments for the year ended March 31, 2021

(Rs. in Millions)

Particulars	Impact on profit before tax - 50 bps increase	Impact on profit before tax - 50 bps decrease	Impact on other components of equity - 50 bps increase	Impact on other components of equity - 50 bps decrease
Variable-rate instruments	11.74	(11.74)	8.57	(8.57)
Total	**11.74**	**(11.74)**	**8.57**	**(8.57)**

37. TRADE RECEIVABLES

Ageing schedule as at 31st March 2023:

(Rs. In Millions)

Particulars	Outstanding for following periods from the transaction date					Total
	< 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
i)Undisputed Trade Receivables – Considered goods	637.68	86.31	12.06	7.89	-	743.93
ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)Undisputed Trade Receivable-	-	-	-	-	-	-

Particulars	Outstanding for following periods from the transaction date					Total
	< 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
credit impaired						
iv)Disputed Trade Receivable-considered goods	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	68.44	68.44
vi)Disputed Trade Receivable- credit impaired	-	-	-	-	-	-
Less: Expected credit loss allowances	-	-	-	-	(68.44)	(68.44)
Total	**637.68**	**86.31**	**12.06**	**7.89**	**-**	**743.93**

Ageing schedule as at 31st March 2022:

(Rs. in Millions)

Particulars	Outstanding for following periods from the transaction date					Total
	< 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
i)Undisputed Trade Receivables – Considered goods	667.69	37.08	9.33	6.24	-	720.33
ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)Undisputed Trade Receivable-credit impaired	-	-	-	-	-	-
iv)Disputed Trade Receivable-considered goods	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	68.44	68.44
vi)Disputed Trade Receivable- credit impaired	-	-	-	-	-	-
Less: Expected credit loss allowances	-	-	-	-	(68.44)	(68.44)
Total	**667.69**	**37.08**	**9.33**	**6.24**	**-**	**720.33**

Ageing schedule as at 31st March 2021:

(Rs. in Millions)

Particulars	Outstanding for following periods from the transaction date					Total
	< 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
i)Undisputed Trade Receivables – Considered goods	677.53	49.63	12.45	-	-	739.60
ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)Undisputed Trade Receivable-credit impaired	-	-	-	-	-	-
iv)Disputed Trade Receivable-considered goods	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	68.44	68.44
vi)Disputed Trade Receivable- credit impaired	-	-	-	-	-	-
Less: Expected credit loss allowances	-	-	-	-	(68.44)	(68.44)
Total	**677.53**	**49.63**	**12.45**	**-**	**-**	**739.60**

38. PROPERTY PLANT & EQUIPMENT/CAPITAL WORK-IN-PROGRESS LEASEHOLD LAND

Leasehold as shown under Property Plant & Equipment comprises of lands situated Export Promotion Industrial Park, Phase-II, Baddi where in current manufacturing facilities of company are in operations.

Leasehold land allotted by Industrial Area Development Agency at Baddi, Himachal Pradesh is amortized only on the cost of lease paid by Group on Straight Line Basis. The management is hopeful that it may sell such land in future whereby the Group as per terms of lease agreement will be entitled to its portion of Fair Value in the said land which has been recognised as an asset above at Fair value

In addition to above the company has been allotted two additional parcels of land measuring 30 acers each by government of Himachal Pradesh. One of this land situated near Bhud Barrier Baddi will be used for setting up of anchor unit for setting up of new crane pant. Another land situated at Kirpalpur Nalagarh will be used and for development of Auto Park for manufacture of auto components.

Group has paid advance of Rs 3.78 Million on signing of agreement to lease for above new allotted lands. Since lease deed is yet to be executed, company has shown this capital advance under the head Capital Advance in Note 11.

CAPITAL WORK-IN-PROGRESS

(Rs. in Millions)

Particulars	As at April 1, 2022	Additions during the year	Capitalised during the year	As at March 31, 2023
Capital work-in-progress	195.19	25.71	140.32	**80.57**

(Rs. in Millions)

Particulars	As at April 1, 2021	Additions during the year	Capitalised during the year	As at March 31, 2022
Capital work-in-progress	144.06	195.19	144.06	**195.19**

(Rs. in Millions)

Particulars	As at April 1, 2020	Additions during the year	Capitalised during the year	As at March 31, 2021
Capital work-in-progress	179.89	144.06	179.89	**144.06**

Ageing schedule of capital work-in-progress for the year ended March 31, 2023

(Rs. In Millions)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
CWIP	25.71	54.87	-	-	**80.57**

Ageing schedule of capital work-in-progress for the year ended March 31, 2022

(Rs. In Millions)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
CWIP	195.19	-	-	-	**195.19**

Ageing schedule of capital work-in-progress for the year ended March 31, 2021

(Rs. In Millions)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
CWIP	144.06	-	-	-	**144.06**

39. OTHER INTANGIBLE ASSETS

Nature of Intangible Assets

The Group's intangible assets are in the nature of product development costs incurred on development of New Models of Tractors in compliance with TREM IV Emission norms for tractors, and development of enhanced capacity new generation cranes.

Ageing schedule for the year ended March 31, 2023

(Rs. In Millions)

Particulars	Amount in Intangible Assets for a period of				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
Intangible Assets	22.59	25.29	9.11	2.74	**59.72**

Ageing schedule for the year ended March 31, 2022

(Rs. In Millions)

Particulars	Amount in Intangible Assets for a period of				Total
	< 1 Year	1 to 2 Years	3 to 3 Years	> 3 Years	
Intangible Assets	31.61	12.14	3.18	-	**46.93**

Ageing schedule for the year ended March 31, 2021

(Rs. In Millions)

Particulars	Amount in Intangible Assets for a period of				Total
	< 1 Year	1 to 2 Years	4 to 3 Years	> 3 Years	
Intangible Assets	15.18	8.22	4.81	-	**28.21**

40. TRADE PAYABLES

a) The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Group

(Rs. in Millions)

Particulars	2023	2022	2021
i) Amount remaining unpaid: -- Principal -- Interest on the above	 36.78 -	 120.56 -	 105.74 -
ii) Interest paid by the Group under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
iii) 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 MSMED Act, 2006)	-	-	-
iv) Interest accrued and remaining unpaid at the end of the year	-	-	-
v) Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-	-

b) Ageing of trade payables

<u>As at 31st march 2023</u>

(Rs. In Millions)

Particulars	Outstanding for following periods from transaction date				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	3 Years	
i) MSME	36.78	-	-	-	36.78
ii) Others	267.61	4.85	-	-	272.46
iii) Disputed dues- MSME	-	-	-	-	-
iv) Disputed dues- Others	-	-	-	-	-

<u>As at 31st march 2022</u>

(Rs. in Millions)

Particulars	Outstanding for following periods from transaction date				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	3 Years	
i) MSME	120.56		-	-	120.56
ii) Others	344.68	0.26	2.74	-	347.69

Particulars	Outstanding for following periods from transaction date				Total
iii) Disputed dues- MSME	-	-	-	-	-
iv) Disputed dues- Others	-	-	-	-	-

As at 31st march 2021

(Rs. in Millions)

Particulars	Outstanding for following periods from transaction date				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	3 Years	
i) MSME	105.74	-	-	-	105.74
ii) Others	230.26	6.92	-	-	237.18
iii) Disputed dues- MSME	-	-	-	-	-
iv) Disputed dues- Others	-	-	-	-	-

Amount due to entities covered under micro enterprises and small enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Group. The total amount due as on 31.03.2023 was Rs. 36.78 millions (31.03.2022: Rs. 120.56 millions, 31.03.2021: Rs. 105.74 millions) and interest on late payment was Nil (31.03.2022: Nil, 31.03.2021: Nil)

41. RELATED PARTY DISCLOSURES

a) **Entities over which KMP exercise control:** Nil

b) **Key Managerial Personnel and their close members**

Key Managerial Personnel (KMP):

Sr. No.	Name of KMP	Nature of Relationship
1	Mr. R.S. Khadwalia	Managing Director
2	Mrs. Sunita Saini	Director till 5th August, 2023
3	Mr. Anshul Khadwalia	Director
4	Mr. S.P. Mittal	Director till 5th August, 2023
5	Mr. Inder Singh Negi (Indo Farm Equipment Limited)	Director till 15th June 2022
6	Mr. Prem Kumar Dhasmana (Indo Farm Equipment Limited)	Director till 11th March 2023
7	Mr. Divender Dutt Gautam (Indo Farm Equipment Limited)	Director till 15th June 2022
8	Mr. Puneet Ralhan (Indo Farm Equipment Limited)	Director w.e.f. 27th October 2021
9	Mr. Surinder Mohan Singla (Indo Farm Equipment Limited)	Chief Financial Officer w.e.f. 01st June 2021
10	Ms. Navpreet Kaur (Indo Farm Equipment Limited)	Company Secretary
11	Ms. Aayushi (Barota Finance Limited)	Company Secretary
12	Mr. Gurvinder Singh Chadha (Barota Finance Limited)	Chief Financial Officer w.e.f. 16th June 2021
13	Ms. Arshdeep Kaur (Indo Farm Equipment Limited)	Independent Director w.e.f. 15th June 2022
14	Mr. Prem Chand Dhiman	Independent Director till 21st August 2023
15	Mr. Vishal Anand Dewliya (Barota Finance Limited)	Chief Executive Officer w.e.f. 01st July 2021
16	Mr. Brij Kishore Mahindroo (Barota Finance Limited)	Director
17	Mr. Charan Singh Saini	Director till 31st May 2021
18	Ms. Anubha	Company Secretary till 28th June 2021
19	Mr. Pardeep Singh	Chief Financial Officer till 12th June 2021
20	Mr. Shubham Khadwalia	Director till 2021 (BFL)

Close member of KMP:

Sr. No.	Close member of KMP	Nature of Relationship
1	Mr. Shubham Khadwalia	Director's Son
2	Ms. Ritu Saini	Director's Sister
3	Ms. Diksha Khadwalia	Director's Spouse

A. **Transactions with related parties**

Subsidiary Company*

(Rs. In millions)

Sr. No.	PARTICULARS	31.03.2023	31.03.2022	31.03.201
i.	Investment made in equity shares of Subsidiary	30.00	30.00	-
ii.	Rent Received	0.12	0.12	0.12
iv.	Purchase of Repo Tractors	73.71	78.53	41.98
v.	Subvention Charges paid	38.71	44.55	35.70
vi.	Advances Given During the year (incl. interest net of TDS)	44.77	107.50	49.97
vii.	Advances Received Back	107.50	93.41	-
ix	Interest received	4.50	-	-

***eliminated in the consolidation process**

In addition to the above, Indo farm Equipment Ltd has given a corporate guarantee for loans obtained by its subsidiary. Since all the loans are part of the Restated Consolidated Balance Sheet, the same is not shown separately as a part of the contingent liabilities.

Key Managerial Personnel

(Rs. In Millions)

Sr. No.	PARTICULARS	31.03.2023	31.03.2022	31.03.2021
i.	Remuneration	39.69	38.03	36.37
ii.	Rent Paid	3.02	2.32	1.64
iii.	Sitting Fee Paid	0.30	0.16	0.18
v.	Unsecured Loans (Accepted)	0.60	-	-
vi.	Unsecured Loans (Paid)	0.60	-	12.55

Close members of the Key Managerial Personnel

(Rs. In Millions)

Sr. No.	PARTICULARS	31.03.2023	31.03.2022	31.03.2021
i.	Remuneration	12.60	11.00	12.60
ii.	Rent Paid	1.80	0.28	1.56
iii.	Professional Charges	-	1.60	-
iv.	Security Deposit	-	1.50	-

B. Outstanding Balances

Sr. No.	PARTICULARS	31.03.2023	31.03.2022	31.03.2021
i.	**Investment in Subsidiary ***			
	Barota Finance Limited	200.00	170.00	170.00
ii.	**Loans and Advances***			
	Barota Finance Limited	94.74	157.47	143.38
iii.	**Trade Payables***			
	Barota Finance Limited	30.05	-	-
iv.	**Employee Benefit Payable**			
	Mr. R.S. Khadwalia	0.55	0.55	0.55
	Mrs. Sunita Saini	0.52	0.57	0.60
	Mr. Anshul Khadwalia	0.52	0.54	0.47
	Mr. Puneet Ralhan	0.22	0.23	-
	Ms. Navpreet Kaur	0.08	0.07	0.06
	Mr. Surinder Mohan Singla	0.19	-	-
	Ms. Diksha Khadwalia	0.18	0.00	0.17
	Mr. Shubham Khadwalia	0.60	0.72	0.35
	Ms. Arshdeep Kaur	0.05	-	-
	Ms. Aayushi	0.04	0.03	-
	Mr. Vishal Anand Dewliya	0.16	0.18	-
	Mr. Surinder Kumar Sharma	-	0.16	0.19
	Mr. Charan Singh Saini	-	-	0.20
	Mr. Pardeep Singh	-	-	0.04

Sr. No.	PARTICULARS	31.03.2023	31.03.2022	31.03.2021
	Ms. Anubha	-	-	0.03
v.	**Rent Payable**			
	Mr. Shubham Khadwalia	-	0.13	-
	Mr. S.P. Mittal	-	0.32	-
vi.	**Security Deposit**			
	Mr. Shubham Khadwalia	1.50	1.50	-

***** eliminated in the consolidation process

42. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

(Rs. In Millions)

Sr. No.	Particulars	2023	2022	2021
a)	Gross amount required to be spent by the Group during the year based on 2% of average net profits	1.80	1.67	1.75
b)	Amount spent during the year on: i) Construction/acquisition of assets held by the Group ii) On purpose other than above	3.38	2.65	1.92
c)	(Excess)/ Shortfall (a)-(b)	(1.58)*	(0.98)	(0.16)
d)	Driven by the core purpose and in line with CSR vision, our Group continued to focus on investing in rural development, women development and skill development entrepreneurship by contributing towards National Employability Through Apprenticeship Programme (NETAP). Further the Group had contributed towards research done by educational institutions and environment protection.			

*The Group has an excess CSR spent of Rs. 1.58 millions (31.03.2022: Nil, 31.03.2021: Nil) which it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet.

Amount recognised as expense in profit or loss is Rs. 1.80 millions (31.03.2022: Rs. 2.65 millions, 31.03.2021: Rs. 1.92 millions).

In respect to section 135(5) of Companies Act, 2013

(Rs. In Millions)

Particulars	Opening Balance	Required to be spent	Actual spent	Closing Balance
For the year ended March 31, 2023				
CSR spent during the year	-	1.78	3.38	1.58
For the year ended March 31, 2022				
CSR spent during the year	-	1.67	2.65	0.98*
For the year ended March 31, 2021				
CSR spent during the year	-	1.75	1.92	0.16*

* The Group had not carried forward the excess amount spent for CSR for F.Y. 2020-21, 2021-22.

43. Disclosure required under Section 186(4) of the Companies Act, 2013

The Group had given loan to employees during the year, however in line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10 March 2015, loans given to employees as per the Group’s policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

44. AUDITOR'S REMUNERATION*

(Rs. in Millions)

Particulars	2022-23	2021-22	2020-21
Statutory Audit	2.40	2.00	1.40

- *excludes service tax/gst*

45. INCOME TAX

A. Current Tax

Provision for Current Income Tax has been made as per the rules applicable to respective Companies in the group under Income Tax Act, 1961, based on legal opinion obtained by the Group from its income tax consultant and the statutory auditors have relied upon the said legal opinion for the purpose of current income tax.

The Subsidiary Company has applied Section 115BAA of Income Tax Act,1961 during the year.

B. Deferred Tax

In compliance with Indian Accounting Standard (Ind AS 12) relating to "Income Tax" issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date, the Group has provided Deferred Tax Liabilities accruing during the year aggregating to Rs. 21.44 millions (31.03.2022: Rs. 39.06 millions, 31.03.2021: Rs. 23.93 millions) and it has been recognized in the Statement of Profit & Loss. In accordance with Indian Accounting Standard (Ind AS 12) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

Reconciliation of effective tax rate

(Rs. In millions)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
Profit before tax		**222.50**		**192.75**		**118.87**
Tax using the domestic tax rate	23.38%	63.15	27.03%	52.11	26.98%	32.07
Tax effect of						
Effect of different tax rates in local and foreign tax jurisdiction	(0.26)%	(0.59)	0.13%	0.24	(0.57)%	(0.67)
Tax on account of Permanent Difference	0.25%	0.56	0.39%	0.75	0.61%	0.73
Effect of expense/ provisions that is not deductible in determining profit	11.35%	25.26	13.86%	26.71	80.47%	95.65
Effect of expense/ provisions that is deductible in determining profit	(9.54)%	(21.24)	(13.62)%	(26.25)	(79.71)%	(94.75)
Net effect of tax losses brought forward	(0.22)%	(0.49)	-	-	-	-
Adjustment of income not taxable or deductible	(0.02)%	(0.04)	(0.02)%	(0.03)	(0.04)%	(0.05)
Others	0.11%	0.25	1.05%	2.03	0.83%	0.99
Total income tax expense	**30.05%**	**66.86**	**28.82%**	**55.55**	**28.56%**	**33.95**

46. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

The Group has determined following reportable segments based on the information reviewed by the Group's management:

i) Tractor: It includes sale of tractors and its spare parts, rotavators and scrap sales generated during manufacturing process.

ii) Crane: It includes sale of cranes.

iii) NBFC

iv) Others: These include sale of combine and casting division scrap sales.

a) Segment Revenue and Results:

Segment Information for the year ended 31st March 2023:

Consolidated Segment Reporting Disclosure							
							(Rs. In Millions)
Particulars	**Tractors**	**Crane**	**NBFC**	**Others**	**Eliminations**	**Unallocable Items**	**Consolidated Total**
	Current Year	**Current Year**	**Current Year**	**Current Year**	**Current Year**	**Current Year**	**Current Year**
REVENUE							
External Sales	2,268.92	1,187.07	241.42	10.17	-	-	3,707.59
Inter Segment Sales	-	-	38.71	490.04	(528.75)	-	-
Total Sales	**2,268.92**	**1,187.07**	**280.13**	**500.21**	**(528.75)**	**-**	**3,707.59**
Miscellaneous Income	6.41	0.17	2.17	-	(0.12)	-	**8.63**
Segment Revenue	**2,275.33**	**1,187.25**	**282.30**	**500.21**	**(528.87))**	**-**	**3716.22**
Interest Income	-	-	0.00	-	(4.50)	6.46	1.97
Other Unallocable Income	-	-	-	-	-	-	-
Total Revenue	**2,275.33**	**1,187.25**	**282.31**	**500.21**	**(533.36)**	**6.46**	**3,718.18**

RESULT							
Segment Result	**219.70**	**117.98**	**41.91**	**1.02**	**-**	**-**	**380.61**
Unallocated Corporate Expenses	-	-	-	-	-	-	-
Interest Expense	-	-		-	4.50	(162.61)	(158.11)
Profit Before Taxation	**219.70**	**117.98**	**41.91**	**1.02**	**4.50**	**(162.61)**	**222.50**
Income Taxes	-	-	(10.92)	-	-	(55.94)	(66.86)
Profit after tax	**219.70**	**117.98**	**30.99**	**1.02**	**4.50**	**(218.55)**	**155.64**
Items reclassified to OCI	-	-	-	-	-	1.99	**1.99**
Profit For the Year	**219.70**	**117.98**	**30.99**	**1.02**	**4.50**	**(216.56)**	**157.63**
OTHER INFORMATION							
Segment Assets	3,264.93	469.16	1,600.32	313.70	(324.79)	-	5,323.32
Unallocated Corporate Assets	-	-	-	-	-	905.09	905.09
Total Assets	**3,264.93**	**469.16**	**1,600.32**	**313.70**	**(324.79)**	**905.09**	**6,228.41**
Segment Liabilities	1,843.60	261.44	1,269.10	73.40	(124.79)	-	3,322.76
Total Liabilities	**1,843.60**	**261.44**	**1,269.10**	**73.40**	**(124.79)**	**-**	**3,322.76**
Depreciation	30.43	10.68	0.73	30.14	-	16.27	88.25

Segment Information for the year ended 31st March 2022:

Consolidated Segment Reporting Disclosure							
							(Rs. In Millions)
Particulars	**Tractors**	**Crane**	**NBFC**	**Others**	**Eliminations**	**Unallocable Items**	**Consolidated Total**
	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year

Consolidated Segment Reporting Disclosure							
							(Rs. In Millions)
Particulars	**Tractors**	**Crane**	**NBFC**	**Others**	**Eliminations**	**Unallocable Items**	**Consolidated Total**
	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
REVENUE							
External Sales	2,573.21	721.13	212.17	14.20	-	-	3,520.84
Inter Segment Sales	221.91	22.40	44.55	362.31	(651.17)	-	-
Total Sales	**2,795.13**	**743.66**	**256.72**	**376.52**	**(651.17)**	-	**3,520.84**
Miscellaneous Income	1.35	0.09	2.85	-	(0.12)	-	**4.17**
Segment Revenue	**2,796.47**	**743.74**	**259.57**	**376.52**	**(651.29)**	-	**3,525.01**
Interest Income	-	-	0.00	-	-	1.12	1.12
Other Unallocable Income	-	-	-	-	-	-	-
Total Revenue	**2,796.47**	**743.74**	**259.58**	**376.52**	**(651.29)**	**11.21**	**3,526.13**

RESULT							
Segment Result	**222.62**	**56.50**	**57.06**	**1.09**	**-**	**-**	**337.27**
Unallocated Corporate Expenses	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	(144.52)	**(144.52)**
Profit Before Taxation	**222.62**	**56.50**	**57.06**	**1.09**	**-**	**(144.52)**	**192.75**
Income Taxes	-	-	(11.01)	-	-	(44.55)	(55.55)
Profit after tax	**222.62**	**56.50**	**46.05**	**1.09**	**-**	**(189.06)**	**137.19**
Items re-classified to OCI	-	-	-	-	-	(1.62)	**(1.62)**
Profit For the Year	**222.62**	**56.50**	**46.05**	**1.09**	**-**	**(190.68)**	**135.57**

OTHER INFORMATION							
Segment Assets	3,299.05	437.44	1,515.15	331.90	(327.47)	-	5,256.07
Unallocated Corporate Assets	-	-	-	-	-	942.22	942.22
Total Assets	**3,299.05**	**437.44**	**1,515.15**	**331.90**	**(327.47)**	**942.22**	**6,198.30**
Segment Liabilities	2,099.90	188.09	1,244.93	74.82	(157.47)	-	3,450.27
Total Liabilities	**2,099.90**	**188.09**	**1,244.93**	**74.82**	**(157.47)**	**-**	**3,450.27**
Depreciation	34.07	5.81	1.18	31.02	-	17.89	89.96

Segment Information for the year ended 31st March 2021:

Consolidated Segment Reporting Disclosure							
							(Rs. In Millions)
Particulars	**Tractors**	**Crane**	**NBFC**	**Others**	**Eliminations**	**Unallocable Items**	**Consolidated Total**
	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
REVENUE							
External Sales	1,744.75	764.70	160.22	8.14	-	-	**2,677.81**
Inter Segment Sales	245.31	8.01	35.73	223.81	(512.82)	-	**-**
Total Sales	**1,990.06**	**772.71**	**195.95**	**231.9**	**(512.82)**	**-**	**2,677.81**
Miscella	0.43	0.41	2.79	-	(0.12)	-	**3.50**

Consolidated Segment Reporting Disclosure							
							(Rs. In Millions)
Particulars	Tractors	Crane	NBFC	Others	Eliminations	Unallocable Items	Consolidated Total
	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
neous Income							
Segment Revenue	**1,990.49**	**773.12**	**198.73**	**231.94**	**(512.97)**	**-**	**2,681.31**
Interest Income	-	-	-	-	-	1.49	**1.49**
Other Unallocable Income	-	-	-	-	-	3.08	**3.08**
Total Revenue	**1,990.49**	**773.12**	**198.73**	**231.94**	**(512.97)**	**4.57**	**2,685.88**
RESULT							
Segment Result	**150.15**	**69.99**	**37.83**	**1.78**	**-**	**-**	**259.75**
Unallocated Corporate Expenses	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	(140.89)	(140.89)
Profit Before Taxation	**150.15**	**69.99**	**37.83**	**1.78**	**-**	**(140.89)**	**118.87**
Income Taxes	-	-	(8.78)	-	-	(25.17)	(33.95)
Profit after tax	**150.15**	**69.99**	**29.06**	**1.78**	**-**	**(166.06)**	**84.92**
Items re-classified to OCI	-	-	-	-	-	(11.61)	**(11.61)**
Profit For the Year	**150.15**	**69.99**	**29.06**	**1.78**	**-**	**(177.67)**	**73.30**
OTHER INFORMATION							
Segment Assets	2,965.78	428.29	1,197.35	307.26	(313.38)	-	4,585.29
Unallocated Corporate Assets	-	-	-	-	-	928.47	928.47
Total Assets	**2,965.78**	**428.29**	**1,197.35**	**307.26**	**(313.38)**	**928.47**	**5,513.76**
Segment Liabilities	1,848.71	171.33	969.99	54.65	(143.38)	-	2,901.3
Total Liabilities	**1,848.71**	**171.33**	**969.99**	**54.65**	**(143.38)**	**-**	**2,901.3**
Depreciation	27.69	4.73	1.96	25.20	-	21.31	80.89

b) Additional information by Geographies:

(Rs. In Millions)

Description	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations by geographical market			
India	3,327.40	3,329.29	2,395.33
Outside India	380.20	191.55	281.98
Total	**3,707.59**	**3,520.84**	**2,677.81**
Non-current assets			
India	2,176.87	2,143.54	1,980.51
Outside India	-	-	-
Total	**2,176.87**	**2,143.54**	**1,980.51**

c) Revenue from major customers:

The Group is not reliant on revenues on transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes:

i Operating segments have been identified by the Group taking into account nature of services, associated risks and returns and internal reporting system that reflects the manner in which operating results are regularly reviewed by the Chief Operating Decision Maker for purpose of making decisions on resources to be allocated to such segments and assess their performance.

ii Segment revenue, segment results, segment assets and segment liabilities include the respective amount identifiable for each operating segment.

47. ANALYTICAL RATIOS

The following are analytical ratios for the year ended 31st March 2023 and 31st March 2022:

Ratio	Numerator	Denominator	31.03.2023	31.03.2022
Current Ratio	Current Assets	Current Liabilities	1.43	1.43
Debt Equity Ratio	Long term & Short-term borrowings	Shareholder's Equity	0.97	1.00
Debt Service coverage Ratio	Earning for Debt Service = Net Profit after taxes+ Non-cash operating expenses + Interest+ Other non - cash adjustments on equity ratio (in %)	Debt service= Interest and lease payments = Principal repayments	0.86	0.91
Return on Equity	Net profit after tax	Average of opening & Closing equity shareholder's fund	5.51%	5.12%
Inventory Turnover Ratio	Consumption during the year & change in inventory	Average Inventory Holdings	1.38	1.31
Trade Receivables Turnover Ratio	Revenue from operation	Average Trade Receivables	5.06	4.82
Trade Payables Turnover Ratio	Net Purchases During the year	Average Trade Payables	5.79	5.48
Net Capital Turnover Ratio (1)	Revenue from operations	Average Net Working Capital	3.97	2.74
Net Profit Ratio	Net profit after tax	Revenue from operations	4.20%	3.90%
Return on Capital Employed	Earnings before interest & tax	Total equity, Total debt (including current maturities)	8.84%	7.96%
Return on Investment	N/A	N/A	N/A	N/A

Comments for Variations above 25%

(1) The improvement in net capital turnover ratio is on account of increase in revenue and efficient utilization of working capital.

The following are analytical ratios for the year ended 31st March 2022 and 31st March 2021:

Ratio	Numerator	Denominator	31.03.2022	31.03.2021
Current Ratio	Current Assets	Current Liabilities	1.43	1.47
Debt Equity Ratio	Long term & Short-term borrowings	Equity	1.00	0.89
Debt Service coverage Ratio	Earnings before interest & tax	Interest & Principal due during the year	0.91	1.62
Return on Equity	Net profit after tax	Average of opening & Closing equity shareholder's fund	5.12%	3.75%
Inventory Turnover Ratio	Consumption during the year & change in inventory	Average Inventory Holdings	1.31	1.10
Trade Receivables Turnover Ratio	Revenue from operation	Average Trade Receivables	4.82	3.00
Trade Payables Turnover Ratio	Net Purchases During the year	Average Trade Payables	5.48	6.16
Net Capital Turnover Ratio	Revenue from operations	Average Net Working Capital	2.74	2.60
Net Profit Ratio	Net profit after tax	Revenue from operations	3.90%	3.17%
Return on Capital Employed	Earnings before interest & tax	Total equity, Total debt (including current maturities)	7.96%	6.78%

Ratio	Numerator	Denominator	31.03.2022	31.03.2021
Return on Investment	N/A	N/A	N/A	N/A

Comments for Variations above 25%

(1) The Debt service coverage ratio has been declined due to increase in long term loans.
(2) The improvement in Return on Equity ratio is on account of increase in profits of the group.
(3) The improvement in trade receivable turnover ratio is on account of increase in revenue...

48. Disclosures Requirements Under Scale Based Regulation for NBFCs

a) Exposure

i) <u>Exposure to real estate sector</u>

(Rs. In Millions)

Category	31.03.2023	31.03.2022
1) *Direct Exposure*		
• Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	Nil	Nil
• Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil
• Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	Nil	Nil
ii. Commercial Real Estate	Nil	Nil
2) *Indirect Exposure* Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	Nil	Nil
Total Exposure to Real Estate Sector	**Nil**	**Nil**

ii) <u>Exposure to capital market</u>

(Rs. In Millions)

Particulars	31.03.2023	31.03.2022
1) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	Nil
2) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	Nil	Nil
3) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
4) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil

Particulars	31.03.2023	31.03.2022
6) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
7) Bridge loans to companies against expected equity flows / issues	Nil	Nil
8) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
9) Financing to stockbrokers for margin trading		Nil
10) All exposures to Alternative Investment Funds:		
• Category I	Nil	Nil
• Category II	Nil	Nil
• Category III	Nil	Nil
Total exposure to capital market	**Nil**	**Nil**

iii) Intra-group exposures

(Rs. In Millions)

Particulars	31.03.2023	31.03.2022
1) Total amount of intra-group exposures	Nil	Nil
2) Total amount of top 20 intra-group exposures	Nil	Nil
3) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Nil	Nil

iv) Sectoral Exposure

Sectors	31.03.2023			31.03.2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crores)	Gross NPAs (₹ crores)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crores)	Gross NPAs (₹ crores)	Percentage of Gross NPAs to total exposure in that sector
1) Agriculture and Allied Activities	153.54	5.01	3.26	147.60	4.38	2.96
2) Industry	Nil	Nil	Nil	Nil	Nil	Nil
3) Services	Nil	Nil	Nil	Nil	Nil	Nil
4) Personal Loans	Nil	Nil	Nil	Nil	Nil	Nil
5) Others Construction Equipment	0.24	Nil	Nil	0.39	Nil	Nil

v) Unhedged foreign currency exposure

The Group's exposure to foreign currency risk at the end of reporting period is Nil.

b) Disclosure of Complaints

i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No		Particulars	2023	2022
Complaints received by the NBFC from its customers				
1.		Number of complaints pending at beginning of the year	-	-
2.		Number of complaints received during the year	9	2
3.		Number of complaints disposed during the year	9	2

Sr. No		Particulars	2023	2022
Complaints received by the NBFC from its customers				
	3.1	Of which, number of complaints rejected by the NBFC	2	1
4.		Number of complaints pending at the end of the year	-	-

Maintainable complaints received by the NBFC from Office of Ombudsman				
5.*		Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	1
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	1
	5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	-	-
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6.*		Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme. * It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021				

ii) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	**2**	**3**	**4**	**5**	**6**
March 31, 2023					
NOC related	-	2	-	-	-
CIBIL Dispute	-	4	-	-	-
Staff Interaction/ Collection related	-	2	-	-	-
Repossession of Collateral related	-	1	-	-	-
Others	-	-	-100%	-	-
Total	**-**	**9**	**-**	**-**	**-**
March 31, 2022					
NOC related	-	-	-	-	-
CIBIL Dispute	-	-	-	-	-
Staff Interaction/ Collection related	-	-	-	-	-
Repossession of Collateral related	-	-	-	-	-
Others	-	2	-	-	-
Total	**-**	**2**	**-**	**-**	**-**

* These disclosures have been mandated by RBI for the year ending March 31, 2023 with its comparative figures of immediately preceding year i.e. F.Y. 2021-22. Hence, disclosures for the F.Y. 2020-21 are not given by the Group.

49. CREDIT RATING

The following table presents an analysis of the credit quality of debt securities issued by the Parent Company and its subsidiary. Rating has been obtained from credit rating agency Infomerics Valuation and Rating Pvt. Ltd... The details of which are as below:

Sr. No.	Name of companies	Nature of Facility	March 31, 2023	March 31, 2022	March 31, 2021
1	INDO FARM EQUIPMENT LIMITED (Parent)	Long Term Fund Based Facility-Term Loan	IVR A-/ Stable (IVR A Minus with Stable Outlook)	IVR A-/ Stable (IVR A Minus with Stable Outlook)	IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)
		Long Term Fund Based Facility-OCC/ODBD	IVR A-/ Stable (IVR A Minus with Stable Outlook)	IVR A-/ Stable (IVR A Minus with Stable Outlook)	IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)
		Short Term Non Fund Based Facility-ILC/FLC	IVR A2+ (IVR A Two Plus)	IVR A2+ (IVR A Two Plus)	IVR A2 (IVR A Two)
		Short Term Non Fund Based Facility-BG	IVR A2+ (IVR A Two Plus)	IVR A2+ (IVR A Two Plus)	IVR A2 (IVR A Two)
		Short Term Non Fund Based Facility-Forward Contract	IVR A2+ (IVR A Two Plus)	IVR A2+ (IVR A Two Plus)	IVR A2 (IVR A Two)
2	BAROTA FINANCE LIMITED (100% Subsidiary)	Long Term Fund Based Facility-Term Loan	IVR A-(CE)/Stable [IVR Single A Minus (Credit Enhancement) with Stable Outlook]	IVR A-(CE)/Stable [IVR Single A Minus (Credit Enhancement) with Stable Outlook]	IVR BBB+ (CE)/Stable [IVR Triple B Plus (Credit Enhancement)with Stable Outlook]

50. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Group did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the financial year.

51. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II - SCHEDULE III TO THE COMPANIES ACT 2013 - " PART II - GENERAL INSTRUCTIONS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS"

(Rs. In millions)

Name of the Entity	31st March 2023							
	Net Assets (Total assets minus total liabilities)		Share in Profit/(loss		Share in other Comprehensive income		Share in total comprehensive income	
	As% of Consolidated net assets	Amount	As% of Consolidated net profit/(loss)	Amount	As % of Consolidated other Comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Indo Farm Equipment limited	95.48%	2,774.45	79.47%	123.69	100.00%	1.99	79.73%	125.68
Subsidiary								
Barota Finance	11.40%	331.21	20.53%	31.95	0.00%	-	20.27%	31.95

Name of the Entity	31st March 2023							
	Net Assets (Total assets minus total liabilities)		Share in Profit/(loss		Share in other Comprehensive income		Share in total comprehensive income	
	As% of Consolidated net assets	Amount	As% of Consolidated net profit/(loss)	Amount	As % of Consolidated other Comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Limited								
	106.88%	**3,105.66**	**100.00%**	**155.64**	**100.00%**	**1.99**	**100.00%**	**157.63**
Adjustments arising out of consolidation								
Assets/ Income Adjustments	(11.18)%	(324.79)	(27.84)%	(43.33)	0.00%	-	(27.49)%	(43.33)
Liabilities/ Expenses adjustments	4.29%	124.79	(27.84)%	43.33	0.00%	-	27.49%	43.33
	100.00%	**2,905.66**	**100.00%**	**155.64**	**100.00%**	**1.99**	**100.00%**	**157.63**

Name of the Entity	31st March 2022							
	Net Assets (Total assets minus total liabilities)		Share in Profit/(loss		Share in other Comprehensive income		Share in total comprehensive income	
	As% of Consolidated net assets	Amount	As% of Consolidated net profit/(loss)	Amount	As % of Consolidated other Comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Indo Farm Equipment limited	96.46%	2,650.79	69.06%	94.74	100.00%	(1.62)	68.69%	93.12
Subsidiary								
Barota Finance Limited	9.72%	267.24	30.94%	42.45	0.00%	-	31.31%	42.45
	106.19%	**2,918.03**	**100.00%**	**137.19**	**100.00%**	**(1.62)**	**100.00%**	**135.57**
Adjustments arising out of consolidation								
Assets/ Income Adjustments	(11.92)%	(327.47)	(32.65)%	(44.67)	0.00%	-	(32.95)%	(44.67)
Liabilities/ Expenses adjustments	5.73%	157.47	32.56%	44.67	0.00%	-	32.95%	44.67
	100.00%	**2,748.03**	**100.00%**	**137.19**	**100.00%**	**(1.62)**	**100.00%**	**135.57**

Name of the Entity	31st March 2021							
	Net Assets (Total assets minus total liabilities)		Share in Profit/(loss		Share in other Comprehensive income		Share in total comprehensive income	
	As% of Consolidated net assets	Amount	As% of Consolidated net profit/(loss)	Amount	As % of Consolidated other Comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Indo Farm Equipment limited	97.80%	2,555.11	65.87%	55.93	100.00%	(11.61)	60.46%	44.32
Subsidiary								
Barota Finance Limited	8.70%	227.36	34.13%	28.98	0.00%	-	39.54%	28.98
	106.51%	**2,782.46**	**100.00%**	**84.92**	**100.00%**	**(11.61)**	**100.00%**	**73.30**

Adjustments arising out of consolidation								
Assets/ Income Adjustments	(12.00)%	(313.38)	(42.22)%	(35.85)	0.00%	-	(48.91)%	(35.85)
Liabilities/ Expenses adjustments	5.49%	143.38	42.22%	35.85	0.00%	-	48.91%	35.85
	100.00%	**2,612.46**	**100.00%**	**84.92**	**100.00%**	**(11.61)**	**100.00%**	**73.30**

52. ADDITIONAL REGULATORY DISCLOSURE REQUIREMENTS

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

a. Crypto Currency or Virtual Currency
b. Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
c. Registration of charges or satisfaction with Registrar of Companies
d. Compliance with number of layers of companies
e. Relating to borrowed funds:
  i. Wilful defaulter
  ii. Utilization of borrowed funds & share premium
  iii. Discrepancy in utilization of borrowings
f. Title deeds of immoveable properties not held in name of Group.
g. Relationship with Struck off Companies
h. Compliance with number of layers of companies
i. Revaluation of property, Plant and equipment as no such revaluation taken place during the year.

53. The Group has reclassified previous year’s figures to confirm to current year’s classification. The Group’s Financial Statements are presented in Indian Rupees and all values are rounded to the nearest Millions (‘000000’) or two decimals’ places thereof, except when otherwise indicated.

54. EVENTS OCCURRED AFTER RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES DATE

The Group evaluated all events or transactions that occurred after 31 March 2023 up through September 18, 2023, the date the consolidated financial information was authorized for issue by the Board of Directors. Based on this evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial information other than as below:

i. The Group Group Board of Directors, at its meeting held on 18th August 2023, proposed/recommended to the members of the Group, an increase in the authorised share capital from Rs. 250 millions to Rs. 500 millions in terms of Section 61 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the Extra ordinary general meeting held on 18th August 2023.

ii. The Group Board of Directors, at its meeting held on 22nd August 2023, proposed/recommended to the members of the Group, a bonus share in the proportion of 1 new bonus shares for every 1 existing fully paid-up equity shares of Rs 10 each, by capitalisation of an amount of Rs. 187.76 millions from free reserves in terms of Sections 63 and 123(5) and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 22 August 2023.

55. The Restated Consolidated Financial Information were authorized for issue in accordance with a resolution of the directors on September 18, 2023.

As per our report of even date

For Indo Farm Equipment Limited
CIN: U29219CH1994PLC015132

R.S. Khadwalia
Chairman Cum Managing Director
(DIN:0062154)

Anshul Khadwalia
Director
(DIN:05243344)

Gurvinder Singh Chadha
General Manager
(PAN:AHEPC6779P)

Varun Sharma
Chief Financial Officer
(PAN:FNHPS7649L)

Navpreet Kaur
Company Secretary
(PAN: ANMPK5801G)

Place: Chandigarh
Date: September 18, 2023

For Deepak Jindal & Co.
Chartered Accountants
Firm Regn. No:-023023N

Onkar Singh
(Partner)
M.No. 514746
UDIN: 23514746BGWJTU9919

Place: Chandigarh
Date: September 18, 2023

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of the Company and its Material Subsidiary for the years ended March 31, 2023, March 31, 2022, March 31, 2021 and the reports thereon are available at www.indofarm.in.

The following table sets forth the Company's Accounting Ratios. This table should be read in conjunction with our Restated Consolidated Financial Statement dated September 18, 2023

(Amounts in ₹ Millions, unless otherwise stated)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Restated profit/(loss) after tax (A)	155.64	137.19	84.92
Weighted average number of shares outstanding during the year for basic EPS (B)	37,551,600	37,551,600	37,551,600
Weighted average number of shares outstanding during the year for diluted EPS (C)	37,551,600	37,551,600	37,551,600
Basic Earnings per share (in ₹) (D = A/B)	4.14	3.65	2.26
Diluted Earnings per share (in ₹) (E = A/C)	4.14	3.65	2.26
Restated net worth (F)	2,905.66	2,748.03	2,612.46
Return on net worth (G = A/F*100) (%)	5.36%	4.99%	3.25%
Actual number of equity shares at the end of the year (H)	18,775,800	18,775,800	9,387,900
Net Asset Value Per Share (in ₹) (I = F/H)[$]	154.76	146.36	278.31
Nominal value per equity share (in ₹)	10	10	10

[$] The Company had bonus shares in the ratio of 1:1 on August 22, 2023. Net Asset Value after considering this bonus Issue is ₹ 77.38/- per share.

Notes to Accounting Ratios:

1) Basic and diluted earnings/ (loss) per equity share : Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
2) Return on Net worth Ratio: Profit/ (loss) for the period attributable to owners of the Company divided by net worth as attributable to owners of the Company at the end of the year.
3) Net assets value per equity share (₹): Net worth as attributable to owners of the Company at the end of the year divided by actual number of equity shares at the end of the year.
4) Accounting and other ratios are based on or derived from the Restated Consolidated Financial Statements

STATEMENT OF CAPITALIZATION

The following table sets forth the Company's capitalization as at March 31, 2023, derived from our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the our Restated Consolidated Financial Statement dated September 18, 2023

(Rs. in Millions)

Particulars	**Pre offer as at March 31, 2023**	**As adjusted for the proposed Offer***
Borrowings		
Current Borrowings *(incl. current maturities of Non-Current Borrowings)*	1,708.07	[●]
Non-current borrowings (A)	1,098.46	[●]
Total Borrowings (B)	**2,806.53**	[●]
Equity		
Equity share capital	187.76	[●]
Other Equity	2,717.90	[●]
Total Equity (C)	**2,905.66**	[●]
Non-current borrowings (A) / Total Equity (C)	0.38	[●]
Total Borrowings (B) / Total Equity (C)	0.96	[●]

**The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same has not been provided in the above statement.*

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Ind-AS and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Overview

Industry Overview

The Global Tractor Market is projected to grow from USD 78.98 billion in 2023 to USD 104.69 billion by 2030. The India Tractor Market size was evaluated to be at USD 7.54 billion in 2020 and has been anticipated to reach USD 12.70 billion by 2030. Today India is one of the largest Tractor producing countries of the world*(Source: B2K Analytics Industry Report)*.

Globally the mobile crane market size is anticipated to grow from USD 19.78 billion in 2023 to USD 27.29 billion by 2028. Pick and Carry Crane is a type of mobile crane which is used for material handling. *(Source: B2K Analytics Industry Report)*

For further details please refer "*Industry Overview*" beginning on page no. 96 of this Draft Red Herring Prospectus.

Our Business

Incorporated in 1994, our Company, Indo Farm Equipment Limited is a more than two decade old fully integrated manufacturer of world class Tractors, Pick & Carry Cranes and other farm equipments such as harvester combines, rotavator sand other related spares and components. We also operate asset financing business (with focus on retail financing of tractors) through our wholly owned subsidiary which is a RBI registered NBFC. .

Significant Developments after March 31, 2023 that may affect our Future Results of Operations

Except as mentioned in Risk Factors and as mentioned below, there is no significant development.

The Company has allotted 1,87,75,800 equity shares as fully paid-up bonus shares to its existing equity shareholders in the ratio of 1:1 by capitalization of profits transferred from free reserves amounting to Rs. 187.76 Millions on 22nd August 2023 pursuant to a special resolution passed by the shareholders in Extra Ordinary General Meeting after taking consent of shareholders.

Impact of COVID-19

The COVID-19 pandemic had far-reaching effects on various industries worldwide, tractor and crane sector is not an exception to it. As countries implemented lockdown measures and faced economic uncertainties, the our industry experienced significant disruptions, subsequent restrictions on non-essential activities disrupted operations and supply chains leading to a decline in sales and revenue, affecting the industry's performance. The second wave of COVID-19 further impacted rural areas, which constitute the core customer base of the industry. The economic uncertainty and financial constraints caused by the pandemic resulted in reduced demand for cranes and tractors, as construction projects were put on hold and the agricultural sector faced challenges. Supply chain disruptions, including factory closures and logistics disruptions, caused delays in equipment and parts delivery, further impacting production and sales. Financial challenges arose from reduced business activity and cash flow issues, hindering investments in new products and technologies. Additionally, implementing safety measures increased operating costs for companies.

However, with the gradual lifting of restrictions and government stimulus measures, there have been were positive developments. The agriculture sector showed resilience, aided by good monsoons and government support, which helped boost tractor sales. As the economy recovers and safety measures continue, focused on contributing to infrastructure growth. The crane and tractor industry regained momentum. Despite the challenges, the company prioritized the safety and well-being of its employees, partners, customers, and community. They continued to support stakeholders and the community through various initiatives and collaborations with state authorities and local partners.

Factors Affecting Our Result of Operations

Except as otherwise stated in the Draft Red Herring Prospectus and the Risk Factors given in the Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

General economic and market conditions in India and globally

Our business is significantly influenced by the economic and political conditions both in India and globally. The overall economic and political landscape in India and other countries can have a significant impact on the commodities market, which in turn can affect our business. These conditions encompass a range of factors such as macroeconomic policies, industry-specific trends, legislation and regulations, market fluctuations, consumer confidence, and currency and interest rate fluctuations.

It is important to note that market conditions can change rapidly in response to adverse economic and political circumstances. In such cases, we may face challenges in promptly and effectively adapting to these changes. This could potentially have a material adverse effect on our business, financial condition, cash flows, results of operations, and future prospects.

Therefore, it is crucial for us to closely monitor and assess the general economic and political conditions in order to mitigate any potential risks and make informed decisions for the success of our business.

Cost and Availability of Raw Materials

Our company's cost structure is significantly influenced by the cost of materials consumed, which constitutes the largest component. For the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, the costs were Rs. 2,183.94 million 2,116.33 million, and 1,535.18 million, respectively, accounting for 62.48%, 63.49%, and 59.80% of our total costs.

The price and availability of these raw materials are subject to various factors beyond our control. These include overall economic conditions, market demand, competition for raw materials, transportation costs, duties, taxes, and trade restrictions. As we typically source raw materials from third-party suppliers or the open market without long-term supply contracts, we are exposed to price volatility. This volatility may impact our profit margins if we are unable to pass on increased costs to our customers.

Furthermore, there is a risk that our existing suppliers may discontinue supplying us with the required raw materials. In such instances, we may face challenges in procuring alternate suppliers in a timely manner and at commercially acceptable terms. This could adversely affect our operations and disrupt production schedules, thereby impacting our business and financial performance.

It is important for us to closely monitor the availability and prices of raw materials, as well as explore strategies to mitigate these risks. This may involve establishing long-term supply contracts, exploring alternative suppliers, or implementing risk management measures. By proactively addressing these challenges, we aim to minimize disruptions, maintain operational efficiency, and safeguard our profitability.

Monsoon and agriculture sector

Monsoon season plays a crucial role in the agriculture sector, and its impact can have significant implications for our business. The performance of the agriculture sector is heavily dependent on the monsoon rainfall, as it directly affects crop production and yields.

Inadequate or untimely monsoon rainfall can lead to drought conditions, resulting in reduced agricultural output and lower demand for our products. This can have a negative impact on our revenue and profitability. Conversely, excessive rainfall during the monsoon season can cause flooding, damaging crops and infrastructure, which can also disrupt our supply chain and affect our business operations.

Furthermore, fluctuations in monsoon patterns can lead to uncertainty in agricultural output and market conditions. This uncertainty can make it challenging to predict and plan for our business activities, including procurement, production, and sales.

Infrastructure sector

The infrastructure sector plays a crucial role in the demand for our crane business. Government regulations and policies related to infrastructure development can have a significant impact on our operations. Infrastructure projects, such as construction of roads, bridges, buildings, and other structures, often require the use of cranes for various lifting and heavy-duty operations. Therefore, the growth and investment in the infrastructure sector directly influence the demand for our crane services.

Government policies and initiatives aimed at promoting infrastructure development can create opportunities for our business. Increased infrastructure spending can lead to a higher demand for construction projects, resulting in a greater need for cranes. Conversely, any slowdown or changes in government policies regarding infrastructure development can have a negative impact on our business. Reduced infrastructure investments may lead to a decrease in construction projects and, subsequently, a decline in the demand for our crane services.
Moreover, the availability and condition of infrastructure, such as roads and transportation networks, can also affect our ability to effectively deliver and operate our crane services. Inadequate infrastructure can result in delays, increased costs, and logistical challenges.

To navigate the impact of the infrastructure sector on our crane business, we closely monitor government policies and initiatives related to infrastructure development. By staying informed and proactive, we can adapt our strategies and operations to align with the changing demands and requirements of the infrastructure sector.

Unexpected market movements and disruptions could affect our business

A significant portion of our company's revenue is generated from the sale of equipment, specifically tractors and cranes. In the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, our total income amounted to Rs. 3,718.18 million 3,526.13 million, and 2,685.88 million, respectively. Any decrease in demand or the discontinuation of production for these products, either temporarily or permanently, could have adverse effects on our business, financial condition, and operational results.

We face various risks that could affect our manufacturing and distribution activities. These risks include unfavorable social, political, or economic developments, natural disasters, civil disruptions, regulatory changes, and shifts in government policies. Such occurrences may necessitate adjustments to our business strategy or significant capital investments, which could have material adverse effects on our overall business, financial position, operational performance, and cash flows.

Furthermore, our sales may decline due to intensified competition, regulatory actions, pricing pressures, fluctuations in product demand or supply, or the outbreak of infectious diseases like COVID-19. Failure to effectively respond to these situations or successfully introduce new products or services in the market may have negative implications for our business prospects, financial condition, operational results, and cash flow generation.

It is imperative for us to actively manage and mitigate these risks, including promptly responding to unfavorable events and effectively competing in the market. Our ability to do so will significantly impact our business resilience, financial stability, operational performance, cash flow generation, and future growth prospects.

Competition

Our industry operates within a highly competitive environment, with regional, local, and global markets dominated by competitors who have substantially greater resources at their disposal. These competitors have the ability to invest more in advertising and marketing, giving them a competitive advantage. Additionally, we face the challenge of new entrants who can quickly respond to changing business and economic conditions. Competition in our industry is based on various factors, including quality, pricing, and innovation, perceived value, brand recognition, promotional activities, advertising, special events, and new product introductions. However, predicting the timing and scale of our competitors' actions in these areas is difficult.

We anticipate that competition will continue to be intense as our existing competitors expand their operations and introduce new products. It is crucial for us to compete effectively and respond promptly to industry and market changes, as well as increase our investment in advertising. Failing to do so may impact the competitiveness of our products, leading to a decline in revenue and profitability.

Our business faces significant competition, particularly from vertically integrated peer companies. Some of our competitors may have larger size, form alliances to strengthen their competitive position, possess greater financial and other resources, and enjoy stronger brand recognition. Furthermore, competitors in specific regions may have better access or exclusive arrangements to procure raw materials required for our operations, allowing them to acquire these materials at lower costs and subsequently sell their products at lower prices. As a result, we cannot guarantee our ability to successfully compete against existing or potential competitors in the future, and increased competition may have adverse effects on our business and financial performance.

Foreign Exchange Risks

We have to deal with foreign currencies in our export sales and equipment procurement processes, which expose us to foreign exchange risk. Fluctuations in the value of the Indian Rupee against currencies like the US Dollar can impact our financial results. If the Indian Rupee depreciates against foreign currencies, it may affect our profit margins and have a negative impact on our business and financial performance. On the other hand, if foreign currencies appreciate against the Indian Rupee, it may lead to reduced margins and also impact our overall business and financial results. Also see, "Restated Financial Statements - Note 36: Financial Risk Management" on page no. **232**

Government Regulations and Policies

Government regulations and policies, both in India and in the countries we export to, have the potential to impact various aspects of our business. These regulations can influence the demand for our products, affect the expenses associated with them, and impact availability of raw materials to them. Additionally, the regulations and policies of the countries we import from can also affect the availability and cost of our final products. The scope of these regulations and policies is extensive and covers a wide range of industries, including some that are politically sensitive. As a result, we must navigate through a complex regulatory landscape. Furthermore, the tax regimes we are subject to can also undergo changes at any time, often with little or no warning or time for us to prepare. These regulatory uncertainties pose challenges to our operations and require us to stay vigilant and adaptable. We must closely monitor any changes in government regulations and policies, as well as tax regimes, to mitigate any potential adverse effects on our business and financial performance. For further details see, "Risk Factors – *Internal Risk Factors - If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.*" on page no. 26 of this Draft Red Herring Prospectus.

Significant Accounting Policies

Restated Ind-AS Consolidated Summary Statements

Nature of Operations & Basis of Preparation

The Restated Consolidated Financial Information of the Group comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"

The Restated Consolidated Financial Information has been compiled by the management of the Company from:-

a) The audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2023, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 09, 2023

b) The audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2022 and March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 16, 2022 and November 4, 2021respectively.

For the purpose of our examination, we have relied on Auditors report issued by us dated September 09, 2023, September 16, 2022 and November 04, 2021 respectively on the consolidated Financial Statements of the Group as at and for each of the years ended March 31, 2023, 2022 and 2021 respectively.

The Restated Consolidated Financial Information:

a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021.

b) Do not require any adjustment for modification as there is no modification in the underlying Audit reports.

c) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable

The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited consolidated Ind AS financial statements/ audited consolidated Indian GAAP financial statements. The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the year ended 31st March 2023. There have been no reservations or qualifications or adverse remarks of the Statutory Auditors in the last three fiscal years and for the year ended 31st March, 2023. This Restated Consolidated Financial Information has been prepared for the Group as a going concern basis.

Basis of Consolidation

The Restated consolidated financial Information comprises the financial statements of Indo Farm Equipment Limited., the Holding company, and its subsidiary company – Barota Finance Limited for the year ended 31 March 2023, 31 March 2022 and 31 March 2021.

The proportion of ownership of the subsidiary company in the Restated consolidation of financial information is as follows-

Name of Company	**Proportion of Ownership**		
	March 31,2023	**March 31,2022**	**March 31,2021**
Barota Finance Limited	100%	100%	100%

The Restated consolidated financial Information have been combined on a line-by-line basis by adding the book values of the items of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and resulting unrealized profit in full.

The Restated consolidated financial information are presented, to the extent possible, in the same format as that adopted by the holding company for its separate financial statements.
The restated consolidated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company for the years ended 31 March, 2023, 31 March 2022 and 31 March 2021.

Functional and Presentation Currency

This Restated Consolidated Financial Information is presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Millions, unless otherwise stated.

Basis of Measurement

The Restated Consolidated financial information has been prepared under historical cost convention on accrual basis except certain items which have been measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Measurement of Fair Values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.
Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Use of estimates and judgements

The preparation of Restated Consolidated financial information in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of Restated consolidated financial information, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, provision for product warranties, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below: Restated Consolidated Financial Information

a) Useful lives of property, plant and equipment and intangible assets
   The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

b) Provision for product warranties:

The Group recognises provision for warranties in respect of the products that it sells. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

c) Fair value of financial assets and liabilities and investments The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

Current and Non-Current classification

The Group presents assets and liabilities in the Restated Consolidated Financial Statements based on current/non-current classification

An asset is treated as current when:

a) It is expected to be realized or intended to be sold or consumed in normal operating cycle;
b) It is held primarily for the purpose of trading;
c) It is expected to be realized within twelve months after the reporting period; or
d) It is cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
e) The Group classifies all other assets as non-current.

A liability is current when:
a) It is expected to be settled in normal operating cycle:
b) It is held primarily for the purpose of trading;
c) It is due to be settled within twelve months after reporting period; or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.
Borrowing cost which are not relatable to the qualifying asset are recognized as an expense in the period in which they are incurred. Borrowing cost on specific loans, used on acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Leases

As a Lessee

The Group accounts for assets taken under lease arrangement in the following manner:
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of committed lease term. The estimated useful lives of right of- use are determined as lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate
Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

Property, Plant and Equipment and Intangible Assets

a) ***Recognition and measurement***

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is de-recognized when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

In case of leasehold land, any unearned increase not attributable to lessor and on which Group has right to sell is recognized as own asset and hence the same was not amortized. Any unearned increase not attributable to lessor when the asset is sold is valued at Fair Value and no amortization is provided on the same.

b) Subsequent Expenditure

Subsequent expenditure is recognised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

c) Depreciation

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below.

Asset Class	Management's estimate of useful life (Years)	Useful life as per Schedule II to the Companies Act, 2013 (Years)
Leasehold land#	Over lease period	-
Plant and machinery	15-40 as the case may be	12-30
Building	60	10-60
Computers	3	3-6
Furniture and fittings	10	10
Office equipment	15	5
Vehicles	8	8-10

only leasehold cost

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready or use/ (disposed off).

Ammortization on leasehold land is provided over lease period and only on leasehold cost paid by the Group. Any unearned increase not attributable to lessor when the asset is sold is valued at Fair Value and no amortization is provided on the same.

d) Capital Work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

e) ***Capital advances***

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

f) De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is de-recognized.

Intangible Assets

a) ***Recognition and measurement***

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any. Internally generated goodwill is not recognized as an asset. With regard to other intangible assets:

- **Technical Knowhow**

The expenditure incurred is amortised over the estimated period of benefit, commencing with the year of purchase of the technology.

- **Development Expenditure**

Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

• **Software Expenditure**

The expenditure incurred is amortized over the estimated economic life of the asset from the year in which expenditure is incurred.

• **Others**

The expenditure incurred is amortized over the estimated period of benefit.
Intangible assets that are acquired (including goodwill recognized for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

b*) Subsequent Expenditure*

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the Standalone Statement of Profit and Loss, as incurred.

c) *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives and is generally recognised in depreciation and amortisation expense in the Standalone Statement of Profit and Loss.

Estimated useful lives of the Intangible assets are as follow:

Category of assets	Management estimate of Useful Life
Product Development	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) *Derecognition*

An item of intangible assets is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is derecognised.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

b. *Debt instrument at fair value through other comprehensive income (FVTOCI):*

A ‘debt instrument’ is classified as at the FVTOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c. *Debt instrument, Derivatives and Equity instruments at fair value through profit or loss (FVTPL)*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL (Refer Note 7). However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

d. *Equity instrument at FVTOCI*

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

iii. Impairment of Financial Assets

The Group recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

iv. Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Restated Consolidated Financial Information) when:
a) The rights to receive cash flow from the asset have expired, or
b) The Group has transferred its rights to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to the third party under a ‘pass-through’ arrangement and either (a) the Group has transferred substantially all the risk and rewards of the assets, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but transferred control of the assets.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the group’s continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Write off of financial assets the gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

B) Financial Liabilities

i) Initial Recognition and Measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit or Loss and financial liabilities at amortised cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through Profit or Loss, transactions costs directly attributable to the acquisition of financial liabilities are recognized immediately in the statement of Profit or Loss.

The Group’s Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

ii) Subsequent Measurement

a) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

b) Financial Liabilities at Amortised Cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c)Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative income recognised in accordance with principles of Ind AS 115.

iii) ***Derecognition of Financial Liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Inventories

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

The Group uses FIFO method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less. For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

Contingent Liabilities And Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Foreign Exchange Transactions

1. **Initial Recognition**

   Investments in foreign entities if any, are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

2. **Conversion**

   Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise. The exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year.

Revenue Recognition

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Company.

Sale of Goods:

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of sales returns and sales tax but including export benefits accruing on export sales.

Revenue is also recognised for goods sold but not dispatched, where the property in such goods is transferred from the seller to the buyers and where dispatches could not be made on account of practical difficulties at the buyers' end.

Interest:

Interest is recognized on a time proportion basis taking into account the amount of underlying outstanding and the rate applicable.

Dividends:

Dividend from investments is recognized in the Profit and Loss Account when the right to receive payment is established.

Export Benefits:

Export benefits and other benefits are accounted for on accrual basis.

Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

i. Current Employee Benefits

a. Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Employees' State Insurance ('ESI') is provided on the basis of actual liability accrued and paid to authorities.

c. The Group has adopted a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

d. Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

ii. *Post* separation employee benefit plan

a) Defined Benefit Plan

Gratuity liability accounted for on the basis of actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Consolidated Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Actuarial gain / loss pertaining to gratuity, post separation benefits and PF trust are accounted for as OCI. All remaining components of costs are accounted for in Consolidated Statement of Profit and Loss. Restated Consolidated Financial Information **b) Defined contribution plan** a defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Group makes specified monthly contributions towards Government administered provident fund scheme.

Contribution to Provident Fund is made in accordance with provision of Employees Provident Fund Act, 1952, and is recognized as an expense in the statement of Profit and Loss in the period in which the contribution is due.

Income Tax

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Subsidiary Company has applied Section 115BAA of Income Tax Act, 1961 during the year.

Deferred tax

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

Current and Deferred Tax for the Year

Current and Deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Earning Per Share

i) Basic earnings per share

$$\text{Basic EPS} = \frac{\text{Profit/ (Loss) attributable to owners of the company}}{\text{Weighted average number of equity shares outstanding during the financial year}}$$

ii) Diluted earnings per share

$$\text{Diluted EPS} = \frac{\text{Profit/ (loss) attributable to owners of the company}}{\text{Weighted average number of equity shares outstanding during the year after adjustment for the effects of dilutive potential equity shares}}$$

Statement of Cash Flow and Segment Reporting

Statement of Cash Flow

Cash flows are reported using the indirect method, whereby net 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 operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors assess the financial performance and position of the Group, and makes strategic decisions and therefore the board would be the chief operating decision maker. The Group has the following operating/ reportable segments: tractors and its parts, mobile cranes, NBFC. Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

i. **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

ii. **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

iii. **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

(₹ in Millions)

Results of our Operations						
Particulars	**Year ended 31st March 2023**	**% of Total Income**	**Year ended 31st March 2022**	**% of Total Income**	**Year ended 31st March 2021**	**% of Total Income**
INCOME						
Revenue from operations	3,707.59	99.72%	3,520.84	99.85%	2,677.81	99.70%
Other income (Net)	10.59	0.28%	5.29	0.15%	8.07	0.30%
Total Income (A)	**3,718.18**	**100.00%**	**3,526.13**	**100.00%**	**2,685.88**	**100.00%**
Expenses						
Raw Material Consumed	2,183.94	58.74%	2,116.33	60.02%	1,535.18	57.16%
Changes in Inventories	71.23	1.92%	-119.93	-3.40%	-53.31	-1.98%
Employee Benefit Expense	424.99	11.43%	371.14	10.53%	317.80	11.83%
Finance Cost	276.43	7.43%	238.20	6.76%	212.10	7.90%
Depreciation and Amortization Expenses	88.25	2.37%	89.74	2.54%	80.56	3.00%
Other Expenses	450.86	12.13%	637.91	18.09%	474.68	17.67%
Total Expenses (B)	**3,495.69**	**94.02%**	**3,333.39**	**94.53%**	**2,567.01**	**95.57%**
Profit before tax C = (A-B)	**222.50**	**5.98%**	**192.75**	**5.47%**	**118.87**	**4.43%**
Tax Expense						
Current Tax	42.80	1.15%	38.59	1.09%	23.64	0.88%
Deferred Tax	21.44	0.58%	39.06	1.11%	23.93	0.89%
MAT utilisation/(recognition)	2.61	0.07%	-22.10	-0.63%	-13.62	-0.51%
Total (D)	**66.86**	**1.80%**	**55.55**	**1.58%**	**33.95**	**1.26%**
Profit After Tax (C-D)	**155.64**	**4.19%**	**137.19**	**3.89%**	**84.92**	**3.16%**

Principal Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations as a percentage of total income was 99.72%, 99.85% and 99.70% respectively, for the fiscals March 31, 2023, March 31, 2022 and March 31, 2021.

Other Income

Our other income comprises of interest income, rent income, insurance income, realized/unrealized gain on foreign exchange fluctuations, Gain on Investments carried at Fair value through profit or Loss. Other income, as a percentage of total income was 0.28%, 0.15%, 1.81% and 0.30% for the fiscals March 31, 2023, March 31, 2022and March 31, 2021.

Expenditure

Our total expenditure primarily consists of Cost of Raw material consumed, Changes in Inventory, Employee Benefit Expenses, Finance Cost, Depreciation& Amortization Expenses and Other Expenses.

Cost of Material Consumed & Purchases

Cost of Material consumed & Purchases is primarily purchase of batteries, tires & tubes, transmission assembly parts, oil,& lubricants, welding consumables, seats, and various assembly parts of transmission engine, FIP, Axle, clutch, etc. & manufacturing expenses which directly related to production of goods such as power, fuel & electrical expenses, job work charges.

Changes in inventories of finished goods & Works in Progress

Our changes in inventories of stock-in-trade denote increase/decrease in inventories of finished goods & Works in Progress between opening and closing dates of a reporting period.

Employee Benefit Expenses

Expenses in relation to employee's remuneration and benefits include salaries, remuneration to directors, contribution to provident fund, gratuity, leave encashment and other funds and staff welfare expenses etc.

Finance costs

Finance cost primarily consists of interest expenses on borrowings from bank and other borrowing costs.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets & Intangible assets & Ammortization of of our Company which primarily includes building, plant & machinery, computer equipments, office equipment, furniture and fixture and vehicles, leasehold rights etc.

Other Expenses

Other expenses mainly consist of Insurance, , legal and professional fees , loss on sale of fixed assets, rate, fees & tax, rent, R & D expense, vehicle running & maintenance, telephone and communication expense, travelling and conveyance, CSR expenses, contingency provisions for standard asset, business promotion, advertisement, commission, rebate, discount & incentives, freight and cartage on sale, after sale services and miscellaneous expenses etc.

Provision for Tax

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future. MAT credit utilization recognition involves recognizing and recording the utilization of accumulated Minimum Alternative Tax (MAT) credit within a company's financial records, reducing the regular tax liability by the amount of MAT credit utilized, and disclosing it in the financial statements. This ensures compliance with accounting standards and transparency in the company's tax position.

Fiscal 2023 compared with fiscal 2022

In fiscal 2023, our Revenue from Operations increased by ₹ 186.75 million or 5.30 %, from ₹ 3,520.84 million in fiscal 2022 to ₹ 3,707.59 million in fiscal 2023. The increase in the year 2023 was due to various factors such as expanding customer base, effective marketing strategies, improved operational efficiency, and favorable market conditions.

Other income increased by ₹ 5.30 million or 100.24 %, from ₹ 5.29 million in fiscal 2022 to ₹ 10.59 million in fiscal 2023.The major factor for such increase was increase in foreign exchange gain.

Cost of Material Consumed

Cost of material consumed increased by ₹ 258.77 million or 12.96 %, from ₹ 1,996.40 million in fiscal 2022 to ₹ 2,255.17 million in fiscal 2023 due to increase in routine levels of differences in purchase of raw material.

Changes in inventories

Changes in inventories changed from ₹(119.93) million in Fiscal 2022 to ₹ 71.23 million in Fiscal 2023, primarily due to a lower inventory of stock-in-trade at end of Fiscal 2023 as compared to Fiscal 2022 on accounts of increased sales, efficient inventory management practices, and due to deliberate effort to reduce carrying costs.

Employee Benefit Expenses

Our employee benefit cost increased by ₹53.85 million or 14.51 %, from ₹ 371.14 million in fiscal 2022 to ₹ 424.99 million in fiscal 2023. This increase was mainly due to salary raises and hiring additional staff.

Financial Cost

Finance cost increased by ₹ 38.22 million or 16.05 %, from ₹ 238.20 million in fiscal 2022 to ₹ 276.43 million in fiscal 2023.The increase was mainly due to higher interest rates on loans or borrowings, additional financing for working capital requirement.

Depreciation Expenses

Depreciation expenses decreased by ₹ 1.49 million or (1.66) %, from ₹ 89.74 million in fiscal 2022 to ₹ 88.25million in fiscal 2023.This decrease was on majorly on account of decrease in depreciation and amortization of assets.

Other Expenses

Other expenses decreased by ₹ 187.05 million or (29.32) %, from ₹ 637.91 million in fiscal 2022 to ₹ 450.86 million in Fiscal 2023. The decrease was majorly due to reduction on account of vehicle running and maintenance expenses, advertisement, business promotions, rebate, discount & incentives, freight and cartage etc.

Profit/ (Loss) before Tax

The increase in sales, effective cost management and improved operational efficiency has led to increase in our Profit/ (Loss) before tax by ₹ 29.75 million or 15.43 % from ₹ 192.75 million in fiscal 2022 to ₹ 222.50 million in fiscal 2023.

Tax Expense

Tax expenses increased from ₹ 55.55 million in Fiscal 2022 to ₹ 66.86 million in Fiscal 2023 due to increase in current tax & decrease in deferred tax.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹18.44 million or 13.44 %, from ₹137.20 million in fiscal 2022 to ₹ 155.64 million in fiscal 2023.

Fiscal 2022 compared with fiscal 2021

In fiscal 2022, our Revenue from Operations increased by ₹ 843.03 million or 31.48%, from ₹ 2,677.81 million in fiscal 2021 to ₹ 3,520.84 million in fiscal 2022. The increase in the year 2022 was due to various factors such as expanding customer base, effective marketing strategies and favorable market conditions.

Other income decreased by ₹ 2.78 million or (34.44) %, from ₹ 8.07 million in fiscal 2021 to ₹ 5.29 million in fiscal 2022.The major factor for such decrease was decrease in foreign exchange gain.

Cost of Material Consumed

Cost of material consumed increased by ₹ 514.53 million or 34.72 %, from ₹ 1,481.87 million in fiscal 2021 to ₹ 1,996.40 million in fiscal 2022 due to increase in purchase of raw materials in line with increased turnover and activities.

Changes in inventories

Changes in inventories changed from ₹(53.31) million in Fiscal 2021 to ₹ (119.93) million in Fiscal 2022, primarily due to a higher inventory at end of Fiscal 2022 as compared to Fiscal 2021.

Employee Benefit Expenses

Our employee benefit cost increased by ₹53.34 million or 16.78 %, from ₹ 317.80 million in fiscal 2021 to ₹ 371.14 million in fiscal 2022. This increase was mainly due to salary raises, implementing new employee benefits and incentives

Financial Cost

Finance cost increased by ₹ 26.10 million or 12.31 %, from ₹ 212.10 million in fiscal 2021 to ₹ 238.20 million in fiscal 2022.The increase was mainly due to higher interest rates on loans or borrowings, additional financing for working capital requirement.

Depreciation Expenses

Depreciation expenses increased by ₹ 9.18 million or 11.40 %, from ₹ 80.56 million in fiscal 2021 to ₹ 89.74 million in fiscal 2022.This increase was on majorly on account of increase in depreciation and amortization of assets.

Other Expenses

Other expenses increased by ₹ 163.23 million or 34.39 %, from ₹ 474.68 million in fiscal 2021 to ₹ 637.91 million in Fiscal 2022. The increase was majorly due to increase on account of legal & professional fees, travelling and conveyance expenses, vehicle running and maintenance expenses, rebate, discount & incentives, insurance expenses, loss on sale of fixed assets.

Profit/ (Loss) before Tax

The increase in sales, effective cost management and improved operational efficiency has led to increase in our Profit/ (Loss) before tax by ₹73.88 million or 62.15 % from ₹ 118.87 million in fiscal 2021 to ₹ 192.75 million in fiscal 2022.

Tax Expense

Tax expenses increased from ₹33.95 million in Fiscal 2021 to ₹ 55.55 million in Fiscal 2022 due to increase in current tax & deferred tax expenses.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 52.28 million or 61.56 %, from ₹ 84.92 million in fiscal 2021 to ₹ 137.20 million in fiscal 2022.

Cash Flows

(₹ in millions)

Particulars	Year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash from Operating Activities	301.75	99.76	12.15
Net Cash from Investing Activities	(83.74)	(259.61)	(156.26)
Net Cash used in Financing Activities	(219.91)	164.02	152.40

Cash Flows from Operating Activities

Net cash from operating activities in fiscal 2023 was ₹ 301.75 million as compared to the PBT of ₹ 222.50 million for the same period. This difference is primarily on account of interest on borrowings, changes in trade receivables, other current assets & other current liabilities.

Net cash from operating activities in fiscal 2022 was ₹ 99.76 million as compared to the PBT of ₹ 192.75 million for the same period. This difference is primarily on account of changes in inventories, loans and advances.

Net cash from operating activities in fiscal 2021 was ₹ 12.15 million as compared to the PBT of ₹118.87 million for the same period. This difference is primarily on account of changes in inventories and trade receivables, changes in other current assets and non current assets.

Cash Flows from Investment Activities

In fiscal 2023, the net cash invested in Investing Activities was negative ₹ 83.74 million. This was majorly on account of purchase of Property, plant & equipment.

In fiscal 2022, the net cash invested in Investing Activities was negative ₹ 259.61 million. This was majorly on account of purchase of Property, plant and equipment and purchase of investments & fixed deposits.

In fiscal 2021, the net cash invested in Investing Activities was negative ₹ 156.26 million. This was majorly on account of purchase of Property, plant and equipment.

Cash Flows from Financing Activities

Net cash from financing activities in fiscal 2023 was negative of ₹ 219.91 million. This was majorly on account of repayments of term loans & interest paid to bank.

Net cash from financing activities in fiscal 2022 was ₹ 164.02 million. This was majorly on account of loan availed from bank & proceeds of term loan from bank.

Net cash from financing activities in fiscal 2021 was ₹ 152.40 million. This was majorly on account of utilization of working capital demand loan facilities availed from banks, interest payments to bank & proceeds of term loan from banks.

Contingent Liabilities

The following table sets forth our contingent liabilities as of March 31, 2023:

(₹ in millions)

Particulars	Year ended On March 31, 2023
Counter guarantee to bank	12.59
Bond Executed by the company in favour of DGFT	6.82
Claims against the company not acknowledged as debts	40.57
Excise matters in dispute	30.37
Consumer cases in dispute/Under Appeal	25.83
Bill Discounting	61.27
Income Tax matters in dispute	4.94
Total	**182.39**

Other Matters

Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled "Financial Information" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations", beginning on pages nos. 192 and **Error! Bookmark not defined.** respectively of this Draft Red Herring Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Result of Operations", beginning on page no 24 and 257 respectively of this Draft Red Herring Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

Future relationship between Costs and Income

Other than as described in the chapter titled "Risk Factors" beginning on page no 24of this Draft Red Herring Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company and introduction of new products in the market.

New Products and Business Segment

Except as disclosed in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments. For details of new products, please refer to "Our Business" on page.123 of this Draft Red Herring Prospectus.

The extent to which the business is seasonal.

Tractors are primarily used for farming; the business tends to be more seasonal, with higher demand during planting and harvesting seasons. However, in regions where tractors are used for non-agricultural purposes such as construction or landscaping, the seasonality may be less pronounced. Demand for cranes, and the level of seasonality can depend on the region's climate, construction activity, and project timelines.

Any significant dependence on single or few suppliers or customers

The business of the group is not dependent on any single customer or supplier and thereby we have assessed no significant dependence on any stake holder. For further details, please refer chapter “Risk Factors” beginning on24of this Draft Red Herring Prospectus.

Competition Conditions

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of product. Our Company faces stiff competition from domestic as well as global market. Some of our competitors may have greater resources than those available to us. See sections, “Our Business”, “Industry Overview” and “Risk Factors” 123, 96 and 24.respectively of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

The Company and subsidiaries avail loans and financing facilities in the ordinary course of business for meeting working capital and business requirements.

The details of the indebtedness of the Company (Consolidated basis) as on March 31, 2023 is provided below:

(₹ in millions)

Nature of Borrowings	March 31, 2023
Secured Borrowings of Indo Farm Equipment Limited	1,659.72
Secured Borrowings of Barota Finance Limited	1,101.67
Unsecured Borrowings of Indo Farm Equipment Limited	45.15
Total	**2806.54**

Details of our Indebtedness is as below

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
Secured loans of Indo Farm Equipment Limited						
Canara Bank- Working Capital Term Loan under GECL 2	91.20	9.10%	15-Feb-21	125.00	34 monthly installments of Rs2.6 Million and 1 monthly Installment of Rs 2.8 Million.	**Primary Security** Assets created out of credit facility so extended. The additional WCTL Facility under GECL shall rank paripassu second charge with existing credit facilities in terms of cash flows and security. Charge on the assets financed under the scheme to be created on or before 30.6.2021 **Guarantee Coverage** The wtcl will be covered under emergency credit line guarantee scheme administered by National credit guarantee trustee company limited
Canara Bank- Working Capital Term Loan under GECL 2	110.88	9.25%	13-Dec-21	110.90	47 monthly installments of Rs.2.3 Million and 1 monthly Installment of Rs 2.8 Million.	**Primary Security** Asset created out of credit facility so extended **Collateral security** Additional WCTL facility under GECL shall rank second charge with existing credit facilities permitted to the company in terms of cash flow and securities. Charge on the asset financed under the scheme to be created

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Guarantee Coverage The wtcl will be covered under emergency credit line guarantee scheme administered by National credit guarantee trustee company limited
Federal Bank-Term Loan	20.00	9.75%	26-Feb-21	52.00	15 Monthly Installments of Rs.1.33 Million	**Primary Security** A.Hypothecation of Machineries procured out of term loan. **Collateral security** A. EM of commercial Land at Kh. Nos. 102-2, Patwari Halka No 25, Village Chhan, Chiklod Road, Bhopal (MP) in the name M/S Indofarm Tractors & Motors Limited having FSV 586.5L (DOV - 18.2-2021 **Personal Guarantee** 1. R S Khadwalia 2.Sunita Saini 3. Mr. Anshul Khadwalia
Federal Bank-Working Capital Term Loan under GECL	25.36	9.25%	09-Dec-20	35.50	32 Monthly EMI of Rs. 0.88 Millions & 1 Monthly EMI of Rs. 0.34 Million (Inclusive of Interest amount)	**Primary Security** A.Hypothecation of Machineries procured out of term loan. **Collateral security** Second charge on all primary and collateral securities available for the existing facilities with us, as listed below: 1) EM of Residential property, Opp. Cantt Area, Chandigarh having FSV of Rs. 2200.12 lac in the name of R S Khadwalia and Sunita Saini. **Guarantee Coverage** 100%credit guarantee cover from NCGTC
Federal Bank-Working Capital Term Loan under GECL	17.02	9.25%	26-Aug-21	17.40	46 Monthly EMI of Rs.0 .43 Million & 1 Monthly installment of Rs.0.31 million(Inclusive of Interest amount)	**Primary Security** Security interest/charge on all movable/immovable assets created out of the WCTL **Collateral security** Second charge on all primary and collateral securities available for the existing facilities with us, as listed below : 1) EM of Commercial Land at Kh. Nos. 101/2, 102/2, Patwari Halka No.25, Village Chhan, Chiklod Road,

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Bhopal (MP) in the name M/s Indofarm Tractors & Motors Limited **Guarantee Coverage** 100%credit guarantee cover from NCGTC
Federal Bank-Working Capital Term Loan under GECL	19.80	9.25%	29-Nov-21	19.80	47 Monthly EMI of Rs.0 .5 million & 1 Monthly installment of Rs.0.4 million (Inclusive of interest amount)	**Primary Security** Security interest/charge on all movable/immovable assets created out of the WCTL **Collateral security** Second charge on all primary and collateral securities available for all the existing facilities with us, as listed below: 1. Hypothecation of Machineries procured out of Term Loan 2. EM of Residential property admeasuring 1739 sq. mtr situated in Sector-6, House no. 103-104, Panchkula, Opposite Cantt Area, Chandigarh owned by Sh R.S. Khadwalia (s/o Sh. Ganga Bishan) and his spouse Sunita Saini 3. EM of Commercial Land at Kh. Nos. 101/2, 102/2, Patwari Halka No.25, Village Chhan, Chiklod Road, Bhopal (MP) owned by the Company **Guarantee Coverage** 100%credit guarantee cover from NCGTC
Federal Bank-Working Capital Term Loan	41.67	9.75%	14-Mar-22	50.00	50 Monthly Installments of Rs.0.83 Millions	**Primary Security** Security interest/charge on all movable/immovable assets created out of the WCTL **Collateral security** 1.EM of Residential Property at House No 103-104, Sector-6, Panchkula (Haryana in the name of Directors Mr. RS Khadwalia and Mrs. Sunita Saini valued at Rs 2336 Lakhs on 05-06-2021 **Personal Guarantee** 1. R S Khadwalia
Federal Bank-Working Capital Term Loan	34.16	9.75%	14-Mar-22	43.10	59 Monthly installments of Rs. of 0.71 million & 1 monthly EMI of	**Primary Security** Security interest/charge on all movable/immovable assets created out of the WCTL **Collateral security**

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
					Rs.0.23 Million (Inclusive of interest amount)	1.EM of Residential Property at House No 103-104, Sector-6, Panchkula (Haryana in the name of Directors Mr. RS Khadwalia and Mrs. Sunita Saini valued at Rs 2336 Lakhs on 05-06-2021 **Personal Guarantee** 1. R S Khadwalia
PNB- Working Capital Term Loan under GECL 2	64.79	9.25%	22-Dec-20	95.00	33 monthly installments of Rs 1.97 Millions	**Primary Security** 1. Extension of charge on entire present and future current assets of the company 2. The credit under GECL will rank second charge with the existing credit facilities in terms of cash flows (including repayments) and securities, with the charge on the assets financed under the scheme to be created on or before June 30, 2021 or date of NPA, whichever is earlier. **Collateral security** 1. Extension of charge over the existing Primary & Collateral securities (as per last sanction dated 24.06.2020) excluding Personal/corporate Guarantees (Wherever applicable) be done 2. WCTL facility extended under the scheme shall be covered under guarantee coverage provided by NCGTC **Guarantee Coverage** The facility shall be covered under Guarantee coverage from NCGTC
PNB- Working Capital Term Loan under GECL 2	53.00	9.25%	22-Nov-21	53.00	48 monthly installments of Rs 1.1 Million	**Primary Security** 1. The additional WCTL facility granted under ECLGS (GECL 2.0 Extension) shall rank second charge with the existing credit facilities in terms of cash flows (including repayments) and security, with charge on the assets financed under the Scheme to be created on or before June 30, 2022 or date of NPA, whichever is earlier 2. Extension of Charge over entire present and future current assets of the company. **Collateral security** 1. Extension of charge over the existing Primary & Collateral securities (as per last sanction dated

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						28.10.2021) excluding Personal/ Corporate Guarantees (wherever applicable) be done. 2. WCTL facility extended under the scheme shall be covered under guarantee coverage provided by NCGTC. **Guarantee Coverage** The facility shall be covered under Guarantee Coverage from NCGTC.
Canara Bank-Working Capital (OCC)	669.59	9.30%	15-Apr-23	850.00	Repayable on demand	**Primary Security** 1.Pari Passu 1st Charge with PNB by way of Hypothecation on Raw Material, WIP, FG, Stores and spares and receivable of the company 2.Pari Passu second charge with existing credit facilities in terms of cash flow and securities. **Collateral security** Pari Passu charge with PNB for the entire exposure of IFEL and BFL on 1. Emt of lease hold right of industrial Plot Measuring 127840 sq. mts located at Export promotion Park, Phase II Industrial Estate, Baddi 2. EMT landed Property at village Manak Tabra, Tehsil & Distt. Panchkula, Haryana (85% of MV of RS. 7.74 is considered) 3. EMT of Factory land and building (free hold) at 104-105, measuring 2646 sq. meter, phase I, industrial Area, Baddi Dist. solan, (HP) 4. Entire Fixed Assets of the company (Present and future) (Excluding Hypothecated Assets by other banks/FIS and land and building taken at MV) **Personal Guarantee** 1.MR. Ranbir Singh Khadwalia 2.Mrs. Sunita Saini 3.Mr.Sat Parakash Mittal 4.Mr.Anshul Khadwalia
PNB - Working Capital (CC)	491.87	9.40%	14-Mar-23	500.00	Repayable on demand	**Primary Security** 1. Hypothecation of stocks of raw material, semi-finished goods, finished goods and packing materials of the

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						company's products lying in the factory premises/godowns or in transit. 2. Hypothecation of entire book debts of the company present and future, arising out of genuine trade transactions. 3. Hypothecation and first charge on all other current assets of the company. 4. Working capital limit also secured by first charge on block assets of the company **Collateral security** These IPs are common security for working capital facilities extended to M/S Indo Farm Equipment & M/S Barota Finance Ltd (100% subsidiary) on pari passu 1st charge with Canara Bank, consortium leader of IFEL 1. Land at village Manaktabra, Tehsil & Distt Panchkula, Haryana 2. Factory Land & Building (Leasehold) at 104-105, Msg 2646 sqmt, Phase -1, Industrial area, Baddi 3. Lease hold rights of industrial Plot, Msg 127840 Sqmt at EPIP, Phase II Industrial Estate Baddi 4. Entire Fixed Assets of company (Present and future) other than vehicle, Land & Building as per ABS'22 **Personal Guarantee** 1.MR. Ranbir Singh Khadwalia 2.Mrs. Sunita Saini 3. Mr. Sat Parakash Mittal 4.Mr.Anshul Khadwalia
Canara Bank-Vehicle Loan	0.32	9.00%	27-Jun-18	1.60	10 Monthly installments of Rs 0.032 Million	**Primary Security** New Jeep compass **Personal Guarantee** MR. Ranbir Singh Khadwalia Mrs. Sunita Saini
Canara Bank - Vehicle Loan	2.10	9.10%	12-Oct-22	2.20	60 Monthly installment of Rs 0.035 Million	**Primary Security** Innova Car
Canara Bank - Vehicle Loan	0.81	8.75%	25-Sept-18	3.70	11 Monthly installments of Rs.	**Primary Security** Hypothecation of New brand new Audi vaspurang durch

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
					0.076Million	**Personal Guarantee** MR. Ranbir Singh Khadwalia Mrs. Sunita Saini
HDFC - Vehicle Loan	13.34	6.70%	21-Mar-22	15.86	43 Monthly installment of Rs. 0.31 Million	**Primary Security** Purchase of Mercedes
HDFC - Vehicle Loan	3.81	7.15%	01-Apr-21	8.70	15 monthly installments of Rs.0.25 million	**Primary Security** Purchase of Vellfire Toyota
Total	**1659.72**			**1983.76**		

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
Secured loans of Barota Finance Limited						
Canara Bank- Term Loan	244.00	9.35%	06-Apr-22	250.00	a.09 monthly installments of Rs 2.00 Million b.12 monthly installments of Rs 3.75Million c.12 monthly installments of Rs 5.00Million d.12 monthly installments of Rs 6.25Million e.05 monthly installments of Rs 7.50Million f. 01 monthly installments of Rs 8.50Million	**Primary Security** First and exclusive charge by way of hypothecation on the receivables (Standard Assets) (Present and Future)of the company and execution of power of attorney to enable Bank to recover monies directly from the borrower of BFL in the event of default in payment of principal & interest payment commitments on fresh Term loan of Rs.250 Millions **Collateral security** Exclusive Charge for the entire exposure of M/S BFL. on Pari passu basis with Punjab National Bank(Member bank) 1.EMT of Showroom SCO 859, Basement measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. SP Mittal, Director 2. EMT of Showroom SCO 859, Ground Floor measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. RS Khadwalia, 3. EMT of Residential Flat no B-304 of Alaknanda

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Apartments Gurgaon In the name of Sh.R.S.Khadwalia, Director 4 EMT of Commercial Property at Mumbai, Address-206/A, 2nd Floor, Boomerang Building, Chandivali Andheri East Mumbai belonging to IFEL Exclusive charge for the entire exposure of M/s BFL on Pari passu basis with Punjab National Bank(Member bank) A. EMT of Lease hold right of Industrial Plot Measuring 127840 sq. mts located at Export Promotion Park, Phase II, Industrial Estate, Baddi. B. EMT of landed Property at village Manak Tabra, Tehsil & Distt. Panchkula, Haryana (85% of MV of Rs.7.74 is considered) C. EMT of factory land and Building (free hold) at 104-105, measuring 2646 sq. meter, Phase I, Industrial Area, Baddi, Dist, Solan, (HP) D. Entire Fixed Assets of the company (present and future) (Excluding Hypothecated Assets by other banks/FIS and land & Building taken at MV) **Personal Guarantee** Mr. Ranbir Singh Khadwalia Mrs. Sunita Saini Mr. Sat Prakash Mittal Mr. Anshul Khadwalia **Corporate Guarantee** Given by Indo farm Equipment Limited
Canara Bank - Term Loan	175.66	10.80%	22-Jul-19	400.00	a. 09 monthly installments of 8.35 Million b.11 monthly installments of 8.35 Million c. 01 monthly	**Primary Security** First and exclusive charge by way of hypothecation on the receivables (Standard Assets) of the company and execution of power of attorney to enable Bank to recover monies directly from the borrower of BFL in the event of default in payment of principal & interest payment commitments on Term Corporate Loan of RS 400 Millions

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
					installments of 8.15Million	**Collateral security** Exclusive Charge for the entire exposure of M/S BFL. on Pari passu basis with Punjab National Bank(Member bank) 1.EMT of Showroom SCO 859, Basement measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. SP Mittal, Director 2. EMT of Showroom SCO 859, Ground Floor measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. RS Khadwalia, 3. EMT of Residential Flat no B-304 of Alaknanda Apartments Gurgaon In the name of Sh.R.S.Khadwalia, Director 4 EMT of Commercial Property at Mumbai, Address-206/A, 2nd Floor, Boomerang Building, Chandivali Andheri East Mumbai belonging to IFEL Exclusive charge for the entire exposure of M/s BFL on Pari passu basis with Punjab National Bank(Member bank) A. EMT of Lease hold right of Industrial Plot Measuring 127840 sq. mts located at Export Promotion Park, Phase II, Industrial Estate, Baddi. B. EMT of landed Property at village Manak Tabra, Tehsil & Distt. Panchkula, Haryana (85% of MV of Rs.7.74 is considered) C. EMT of factory land and Building (free hold) at 104-105, measuring 2646 sq. meter, Phase I, Industrial Area, Baddl, Dist, Solan, (HP) D. Entire Fixed Assets of the company (present and future) (Excluding Hypothecated Assets by other banks/FIS and land & Building taken at MV) **Personal Guarantee** Mr. Ranbir Singh Khadwalia Mrs. Sunita Saini Mr. Sat Prakash Mittal Mr. Shubham Khadwalia

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Mr. Anshul Khadwalia **Corporate Guarantee** M/s Indo Farm Equipment limited with Tangible Net Worth of Rs 1685.8 Million as per ABS as at 31.03.2018
Canara Bank – Medium Term Corporate Loan	246.29	10.00%	07-Dec-19	400.00	a. 04 monthly installments of Rs.6.67 Million b.12 monthly installments of Rs.8.33 Million c. 12 monthly installments of Rs.10.00 Million	**Primary Security** First and exclusive charge by way of hypothecation on the receivables (Standard Assets) of the company and execution of power of attorney to enable Bank to recover monies directly from the borrower of BFL in the event of default in payment of principal & interest payment commitments. on Working capital Medium Tern Corporate Loan of Rs 400.0 Millions & Fresh TL of Rs.400 Millions **Collateral security** Exclusive Charge for the entire exposure of M/S BFL. on Pari passu basis with Punjab National Bank(Member bank) 1.EMT of Showroom SCO 859, Basement measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. SP Mittal, Director 2. EMT of Showroom SCO 859, Ground Floor measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. RS Khadwalia, 3. EMT of Residential Flat no B-304 of Alaknanda Apartments Gurgaon In the name of Sh.R.S.Khadwalia, Director 4 EMT of Commercial Property at Mumbai, Address-206/A, 2nd Floor, Boomerang Building, Chandivali Andheri East Mumbai belonging to IFEL Exclusive charge for the entire exposure of M/s BFL on Pari passu basis with Punjab National Bank(Member bank) A. EMT of Lease hold right of Industrial Plot Measuring 127840 sq. mts located at Export Promotion Park, Phase II, Industrial Estate, Baddi. B. EMT of landed Property at village Manak Tabra,

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Tehsil & Distt. Panchkula, Haryana (85% of MV of Rs.7.74 is considered) C. EMT of factory land and Building (free hold) at 104-105, measuring 2646 sq. meter, Phase I, Industrial Area, Baddl, Dist, Solan, (HP) D. Entire Fixed Assets of the company (present and future) (Excluding Hypothecated Assets by other banks/FIS and land & Building taken at MV) **Personal Guarantee** Mr. Ranbir Singh Khadwalia Mrs. Sunita Saini Mr. Sat Prakash Mittal Mr. Shubham Khadwalia Mr. Anshul Khadwalia **Corporate Guarantee** M/s Indo Farm Equipment limited with Tangible Net Worth of Rs 1838.4 Million as per ABS as at 31.03.2019
Canara Bank - Term Loan	332.70	10.00%	15-Mar-21	400.00	a. 09 monthly installments of Rs 6.7 Million b.12 monthly installments of Rs 8.0 Million c. 12 monthly installments of Rs 9.4 Million d. 06 monthly installments of Rs10.6 Million	**Primary Security** First and exclusive charge by way of hypothecation on the receivables (Standard Assets) (Present and Future)of the company and execution of power of attorney to enable Bank to recover monies directly from the borrower of BFL in the event of default in payment of principal & interest payment commitments. On Existing TL - 1 of Rs 400 million & TL - 2 of Rs 400 million. Fresh Term Loan of Rs 400 millions **Collateral security** Exclusive Charge for the entire exposure of M/S BFL. on Pari passu basis with Punjab National Bank(Member bank) 1.EMT of Showroom SCO 859, Basement measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. SP Mittal, Director 2. EMT of Showroom SCO 859, Ground Floor measuring 71.87 Sq Yds at NAC Mani Majra,

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Chandigarh in the name of Mr. RS Khadwalia, 3. EMT of Residential Flat no B-304 of Alaknanda Apartments Gurgaon In the name of Sh.R.S.Khadwalia, Director 4 EMT of Commercial Property at Mumbai, Address-206/A, 2nd Floor, Boomerang Building, Chandivali Andheri East Mumbai belonging to IFEL Exclusive charge for the entire exposure of M/s BFL on Pari passu basis with Punjab National Bank(Member bank) A. EMT of Lease hold right of Industrial Plot Measuring 127840 sq. mts located at Export Promotion Park, Phase II, Industrial Estate, Baddi. B. EMT of landed Property at village Manak Tabra, Tehsil & Distt. Panchkula, Haryana (85% of MV of Rs.7.74 is considered) C. EMT of factory land and Building (free hold) at 104-105, measuring 2646 sq. meter, Phase I, Industrial Area, Baddl, Dist, Solan, (HP) D. Entire Fixed Assets of the company (present and future) (Excluding Hypothecated Assets by other banks/FIS and land & Building taken at MV) **Personal Guarantee** Mr. Ranbir Singh Khadwalia Mrs. Sunita Saini Mr. Sat Prakash Mittal Mr. Anshul Khadwalia **Corporate Guarantee** M/s Indo Farm Equipment limited with Tangible Net Worth of Rs 1868.7 Million as per ABS as at 31.03.2020
PNB Bank – Term Loan	103.02	9.40%	24-Aug-22	500.00	Amount availed in FY 22-23 is 119.15 Million 47 Monthly installments of Rs.2.20 Millions	**Primary Security** Exclusive hypothecation charge on the standard receivables created out of bank's finance up to 1.33 times of the loan amount outstanding at any point of time **Collateral security** Exclusive Charge for the entire exposure of M/S BFL. on

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Pari passu basis with Punjab National Bank(Member bank) 1.EMT of Showroom SCO 859, Basement measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. SP Mittal, Director 2. EMT of Showroom SCO 859, Ground Floor measuring 71.87 Sq Yds at NAC Mani Majra, Chandigarh in the name of Mr. RS Khadwalia, 3. EMT of Residential Flat no B-304 of Alaknanda Apartments Gurgaon In the name of Sh.R.S.Khadwalia, Director 4 EMT of Commercial Property at Mumbai, Address-206/A, 2nd Floor, Boomerang Building, Chandivali Andheri East Mumbai belonging to IFEL Exclusive charge for the entire exposure of M/s BFL on Pari passu basis with Punjab National Bank(Member bank) A. EMT of Lease hold right of Industrial Plot Measuring 127840 sq. mts located at Export Promotion Park, Phase II, Industrial Estate, Baddi. B. EMT of landed Property at village Manak Tabra, Tehsil & Distt. Panchkula, Haryana (85% of MV of Rs.7.74 is considered) C. EMT of factory land and Building (free hold) at 104-105, measuring 2646 sq. meter, Phase I, Industrial Area, Baddl, Dist, Solan, (HP) D. Entire Fixed Assets of the company (present and future) (Excluding Hypothecated Assets by other banks/FIS and land & Building taken at MV) **Personal Guarantee** Mr. Ranbir Singh Khadwalia Mrs. Sunita Saini Mr. Sat Prakash Mittal Mr. Anshul Khadwalia

Particulars	Outstanding as at March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Remaining Tenor	Secured against
						Corporate Guarantee Unconditional & irrecoverable corporate guarantee M/S Indo farm Equipment Limited with Net Worth Of Rs 1802.8 million as per ABS 2021 is proposed
Total	**1,101.67**			**1,950.00**		

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Group meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorization of the financial statements.

The Group has also satisfied all other debt covenants prescribed in the terms of bank loan.

The Group has not defaulted on any loans payable.

Pre-payment: The prepayment fee or penalty attracted in respect of certain loans is typically ~3.00% of the sanction amount or principal outstanding of prepayment or entire working capital limit, as applicable.

The details of the unsecured borrowing obtained by the Indo Farm Equipment Limited (on consolidated basis) are as below:

(Rs in Millions)

Sr. No.	Name of Lender	Outstanding as at March 31, 2023
1.	Federal Bank	45.15
Total		**45.15**

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this Section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; (d) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, the Subsidiaries, the Directors and the Promoters in the last five Fiscals, including outstanding action; or (e) Material Litigation (as defined below); involving our Company, its Subsidiary, its Directors, its Promoters and its Group Companies ('**Relevant Parties**'). Our Board, in its meeting held on August 25, 2023, determined that outstanding legal proceedings involving the Relevant Parties will be considered as material litigation ('Material Litigation') (i) if the aggregate amount involved exceeds 1% of the consolidated revenue from our operations as per the Fiscal in Restated Consolidated Financial Statements; or (ii) are outstanding litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; or (iii) the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold. It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum. Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated August 25, 2023. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding 1% of the consolidated revenue as per the Restated Consolidated Financial Statements of our Company disclosed in this Draft Red Herring Prospectus, would be considered as material creditors. The trade payables of our Company as on March 31, 2023 were ₹ 37.08 million. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. <u>LITIGATIONS INVOLVING OUR COMPANY</u>

A. <u>Litigation Filed Against Our Company</u>

1. Litigation Involving Criminal Matters

i. Criminal Appeal no. CRA/187/2018 filed by Harinde Parwana ("the Appellant") against Indo Farm Equipment Ltd. ("the Respondent") before Session Judge, Chandigarh.

The Respondent had filed the Criminal Complaint bearing no 5441 of 2015 against the Appellant under Section 138 of the Negotiable Instruments Act, 1881, before the Judicial Magistrate, First Class, Chandigarh complaining dishonour of cheque issued by the Appellant for a sum of Rs. 1,035,000/- (Rupees Ten Lakhs Thirty Five Thousand only). The said Court passed an Order dated March 14, 2018 in favour of the Respondent, directing the Appellant to undergo rigorous imprisonment of two years and payment of Rs. 10,35,000/- (Rupees Ten Lakhs Thirty Five Thousand only) as compensation. Aggrieved by the said Order, the Appellant has filed the present Criminal Appeal, *inter-alia*, praying that the Criminal Appeal be accepted and the Order dated March 14, 2018, passed by Judicial Magistrate, First Class, Chandigarh be set aside. The Criminal Appeal is pending.

ii. Criminal Revision Appeal no. CRA/277/2022 ("the Criminal Revision Appeal") filed under Section 389 of Code of Criminal Procedure, 1973, by Sulakshan (the "Appellant") against Indo Farm Equipment Ltd. ("the Respondent") before District Court and Session Judge, Chandigarh.

The Respondent had filed the Criminal Complaint against the Appellant under Section 138 read with Section 148 of the Negotiable Instruments Act, 1881, before the Judicial Magistrate, First Class, Chandigarh complaining dishonour of cheque issued by the said Mr. Sulakshan for a sum of Rs. 7,500,000/- (Rupees Seventy Five Lakhs only). The said Court passed an Order dated September 19, 2022 in favour of the Respondent, directing the Appellant to undergo rigorous imprisonment of two years and payment of Rs.750,000/- (Rupees Seven Lakhs Fifty Thousand Only) within two months from the date of order as compensation, in default of which the Appellant would have to further undergo simple imprisonment of two months. Aggrieved by the said Order, the Appellant has filed the present Criminal Revision Appeal, *inter-alia*, praying: (a) the Criminal Revision Appeal be accepted and execution of the order of sentence dated September 19, 2022 passed by Judicial Magistrate, First Class, Chandigarh be stayed/suspended during the pendency of the Criminal Revision Appeal (b) the Appellant be admitted to bail during the pendency of the Criminal Revision Appeal. The Criminal Revision Appeal is pending.

iii. Criminal Revision Petition no. CRR/332/2018 filed by Chandan Arora ("the Petitioner") against Indo Farm Equipment Ltd. ("the Respondent") before the Court of Session Judge, Chandigarh

The Respondent had filed a Criminal Complaint bearing number 6389 of 2016 before the Chief Judicial Magistrate, Chandigarh against (1) M/s Shree Balaji Chandan Enterprise (2) its proprietor Anjna Rani Arora and (3) Chandan Arora complaining dishonour of cheque issued by them for a sum of Rs. 500,000/- (Rupees Five Lakhs only). The Respondent had requested the Court to summon, try and punish them under the provisions of Section 138 of the Negotiable Instruments Act, 1881. The Respondent had further prayed that the Respondent be awarded compensation amount of Rs. 1,000,000/- (Rupees Ten Lakhs only) being double of the cheque amount along with litigation charges of Rs. 55,000/-. (Rupees Fifty Five Thousand only). The Petitioner was summoned by the Chief Judicial Magistrate, Chandigarh vide its Summoning Order dated December 5, 2016. Aggrieved by the Order dated December 5, 2016, the Petitioner has filed the present Criminal Revision Petition under Section 397 of Code of Criminal Procedure, 1973 for (a) setting aside the Order dated December 5, 2016; and (b) for acceptance of present Criminal Revision Petition. The Criminal Revision Petition is pending.

iv. Criminal Revision Appeal no. CRA/317/2022 ("the Criminal Revision Appeal") filed by M/s. Umam Automobiles ("the Appellant") against Indo Farm Equipment Ltd. ("the Respondent/Complainant") before Court of Additional Session Judge, Chandigarh

The Respondent had filed a complaint bearing no. 2642/2016 before Court of Judicial Magistrate, First Class, Chandigarh against M/s. Umam Automobiles and its partner Abu Asim under Section 138 read with Section 142 of the Negotiable Instrument Act, 1882 on account of dishonour of cheque of an amount of Rs. 14,000,000/- The Hon'ble Court vide its Order dated 28th October 2022 held Abu Asim (proprietor of M/s. Umam Automobiles) guilty of having committed an offence punishable under Section 138 on Negotiable Instruments Act and to be taken into custody and heard on quantum of sentence. Further, the Court of Judicial magistrate, 1st Class, Chandigarh vide its order dated 28th October 2022 ordered that Abu Asim shall pay compensation to the tune of Rs. 14,000,000/- to the Respondent within two months from the date of the order. In case of default of payment of compensation within the said period Abu Asim shall further undergo simple imprisonment for two months. Aggrieved by the order dated 28th October 2022, M/s Umam Automobiles field an Appeal before the Additional Session Judge, Chandigarh for suspension of sentence. The Hon'ble Additional Session Judge, Chandigarh vide its order dated 25th November 2022 admitted the present Criminal Revision Appeal and suspended the substantive sentence passed by the trail court subject to payment of fine and on furnishing of bail bond in the sum of Rs. 100,000/- with one surety in the like amount within 7 working days from the date of the order to the satisfaction of the learned trial court/duty magistrate. The payment of compensation awarded by the trail court was also stayed under Section 357 (2) of the Code of Criminal Procedure, 1973. Further the Appellant was directed to deposit 20% of the amount of compensation imposed by the learned trial court under Section 357 (2) of the Code of Criminal Procedure, 1973, within 60 days, in case the said deposit is not made within the said period, the bail granted to Abu Asim and his suspension of sentence shall automatically stand cancelled and the learned court shall be at liberty to proceed against Abu Asim in accordance with law for execution of the sentence. The Criminal Revision Appeal is pending.

v. ***Criminal Case bearing no. CC/0002143/2016 filed by Badavane Police Station ("the Complainant") against Indo Farm Tractors and Motors Ltd. (erstwhile name of the Company) ("the Accused") before the District Court Hospete.***

A private complaint bearing no. 48/2008 was filed before Judicial Magistrate First Class, Court at Hospet by Mailer Rao against (1) V.Gpoi, (2) Nagamuni (3) Damodhara (4) C. Neelkantappa (5) Prem Kumar N.C. (6) Suresh Nayak, (7) Marigouda (8) R.A. Jagiradar (9) Siddarampappa Kalaari (10) Manjunath Madivalar (11) Shivanand Dobal (12) Muttu Kusugal (13) Anitha Sahil and (14) Indo Farm Tractors and Motors Company Limited (erstwhile name of the Company) ***("the Accused")*** under Section 200 of the Code of Criminal Procedure, 1973 wherein he prayed before the Court to try the Accused in accordance with law and record conviction against them for the offence punishable under Section 406/408/420 read with Section 34 of the Indian Penal Code, 1860. The Complainant alleges that he had issued various demand drafts for the purpose of purchasing the tractors but the tractors were never delivered. The Complainant also deposited a security deposit for the purpose of taking up the dealership of Indo Farm, however the same has also not been returned. After filing of the complaint, the matter was referred to jurisdictional police for investigation. After investigation, the extension police station filed a "B' final report in Crime No. 43/2008 and the same was contested by the Complainant and further on an application made by the Complainant the matter was referred to police station Hospete for further investigation. The police then filed charge sheet under Section 406/408/420 read with 34 of the Indian Penal Code, 1860, against the accused The Accused filed criminal petition no. 10392 /2013 before the Hon'ble High Court of Karnataka, bench at Dharwad and the order of taking the cognizance was assailed before the said Hon'ble High Court The Hon'ble High Court allowed the said criminal petition and the charge sheet was subtracted and the Hon'ble Court of Judicial Magistrate First Class, Court at Hospet was directed to consider the proceeding as one filed on the private complaint. The said private complaint was renumbered as CC No. 2143/2016. The Hon'ble Judicial Magistrate First Class, Court at Hospet vide its Order dated January 6, 2017,directed to take cognizance for the offence punishable under Section 406/408/420 read with Section 34 of the Indian Penal Code, 1860, and that the office to register the case and issue summons to Accused nos. 3 to 7, 13 and 14. The Criminal Case is pending.

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation/Matters involving Tax Liabilities

Nature of case	Number of cases	Amount in dispute/ demand (in ₹. to the extent quantifiable)
Direct Tax	NIL	NIL
Indirect Tax	1	30,367,285
Total	**1**	**30,367,285**

4. Other Pending Litigations

i. Consumer Cases

The Company is into the business of manufacture and sale of tractors, cranes, engines and diesel gensets. Consumer disputes pertaining to deficiencies and defects in goods or services arises in the normal course of the business of the Company. A total of 26 (Twenty Six) Consumer Complaints have been filed against the Company under Section 12 and Section 35 of the Consumers Protection Act, 2019 and the relevant provisions of the erstwhile Consumer Protection Act, 1986, in relation to deficiency in goods and services. These Consumer Complaints are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is Rs. 22,559,892/- (Rupees Two Crores Twenty Five Lakhs Fifty Nine Thousand Eight Hundred and Ninety Two only).

ii. Writ Petition Appeal no. WPA/2097/2023 (the "Appeal") filed by Megh lal @ Meghlal Mudi (the "Writ Petitioner") against (1) State of West Bengal (2) Superintendent of Police, North Pirojpur, District- Malda, West Bengal (3) The Officer in Charge, Gazole Police Station, West Bengal (4) Indo Farm Equipment Ltd. (5) North Bengal Automobiles (6) Sr. Sushanta Lohar (7) IndusInd Bank Limited (the "Respondents") before the Hon'ble High Court at Calcutta.

A Writ Petition Appeal has been filed by the Petitioner against the Respondents alleging that the Petitioner had purchased a tractor from Respondent No. 5 which is the authorised dealer of Respondent No. 4 on October 8, 2012 and on the same date the Petitioner had entered into a loan agreement with Respondent Number 7 for a loan amount of Rs. 450,000/-. The Petitioner further alleged that the tractor was not delivered to the Petitioner, and that he filed representations with both Respondent Nos. 4 and 5 but to no avail. He further alleges that he discovered that the tractor was delivered to another person by Respondent number 6, and this was done in collusion with Respondent No. 7. Further, a notice of arbitration was sent to the Petitioner vide notice dated 28th July, 2015. In the arbitration proceedings and an ex-parte Award was passed. Thereafter, the Petitioner registered a complaint with Respondent number 3 on September 27, 2022; however, he alleges that no action was taken. Similarly, another complaint was filed by the Petitioner on November 15, 2022 with Respondent No. 2; however, he alleges that no action was taken. Hence this Writ Petition has been filed. The Petitioner has *inter-alia* prayed that:

a) A writ of or in the nature of mandamus directing the State Respondents specifically the respondent Nos. 2 and 3 to take legal steps as per the provisions of the Code of Civil Procedure, 1908, in order to give effect to the complaints dated September 27, 2022 and November 15, 2022 the last of which was acknowledged through a number being 3484 dated November 15, 2022.
b) A writ of or in the nature of certiorari directing the respondents to produce all records of the instant case before this Hon'ble Court so that the same may be perused and appropriate orders be passed so that conscionable justice may be done.
The Writ Petition is pending.

iii. ***Claim petition no. 366 of 2016 ("the Claim Petition") filed by Smt Sudesh and Mani Ram ("the Petitioners") against Indo Farm Equipment Ltd. And Insurance Company, if any ("the Respondents") and Sonia (widow of late Pardeep Kumar ("the Performa Respondent") before Employees Compensation Commissioner, Ambala***

The Claim Petition is filed under Section 10 read with Sections 4 and 4 (a) of the Employee's Compensation Act, 1923, by the dependents of the deceased Pardeep Kumar, who was an engineer working in the maintenance department of the Company. Pardeep Kumar, during the course of his employment duties, suffered an accident on November 30, 2015 on the premises of the Company. Pardeep Kumar succumbed to his injuries due to the aforementioned accident. The Petitioners are the mother and father of the deceased Pardeep Kumar and the Performa Respondent is the wife of the deceased Pardeep Kumar. The Petitioners have *inter alia* prayed for: (a) Rs. 6,000,000/- (Rupees Sixty Lakhs only) along with interest at the rate of 18% per annum from the date of Pardeep Kumar's death until its realization; and (b) a penalty to be imposed on the Respondents if they fail to make the payment. The Claim Petition is pending.

B. LITIGATION FILED BY OUR COMPANY

1. Litigation Involving Criminal Matters

i. ***CRM-M Bearing No. 10550 of 2015 in CRM-A bearing No. 546-MA of 2015 ("the Appeal") filed by Indo Farm Equipment Ltd ("the Appellant") against M/s A K Automobiles and its proprietors Smt. Anter Shekhawat and Sh. Gajraj Singh ("the Respondents") before the Hon'ble High Court of Punjab & Haryana at Chandigarh.***

An application under Section 378(4) of The Code of Criminal Procedure, 1973 was filed by the Appellant praying for grant of leave to appeal against the judgment and order dated November 29, 2014 passed by Ld. Judicial Magistrate, 1st Class, Chandigarh in Complaint No.13496 dated 17th April 2009 pursuant to which the Respondents were acquitted of the charge under Section 138 of the Negotiable Instruments Act, 1881 with regard to dishonour of cheque issued by Smt. Anter Shekhawat for a sum of Rs. 24,96,153/- (Rupees Twenty Four Lakhs Ninety Six Thousand One Hundred and Fifty Three only). The said Criminal Appeal is pending.

ii. ***Criminal Appeal No. CRA-AS-179 of 2016* filed *by Indo Farm Tractors and Motors Limited (erstwhile name of the Company) ("the Applicant/Appellant") against Inder Chand Jain ("the Respondent") before the Hon'ble High Court of Punjab & Haryana at Chandigarh.***

An application under Section 378(4) of The Code of Criminal Procedure, 1973 was filed by the Appellant praying for grant of leave to appeal against the judgment and order dated February 24, 2014 passed by Ld.

Judicial Magistrate, 1st Class, Chandigarh in Complaint No. 25784 dated 25th August, 2007 pursuant to which the Respondent was acquitted of the charge under Section 138 of the Negotiable Instruments Act, 1881 with regard to dishonour of cheque issued by the Respondent for a sum of Rs. 6,000,000/- (Rupees Sixty Lakhs only). The said Criminal Appeal is pending

iii. ***Criminal Complaint No. 9607 of 2021 ("the Criminal Complaint") filed by Indo Farm Equipment Ltd ("the Complainant") against M/s. DD Constructions & Tractor Co and its proprietor Mr. Dharmender Singh ("the Accused") before Court of Chief Judicial Magistrate Chandigarh.***

The Complainant has filed the Criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 against the Accused with regard to dishonour of cheque issued by the Accused for a sum of Rs. 24,95,354/- (Rupees Twenty Four Lakh Ninety Five Thousand Three Hundred and Fifty Four only). The Complainant has requested the Court to summon, try and punish the Accused under the provisions of Section 138 of the the Negotiable Instruments Act, 1881. The Complainant has also requested to direct the Accused to pay to the Complainant compensation amount of Rs. 2,495,354/- (Rupees Twenty Four Lakh Ninety Five Thousand Three Hundred and Fifty Four only) along with litigation charges of Rs. 25,000/- (Rupees Twenty Five Thousand only). The Criminal Complaint is pending.

iv. ***Criminal Complaint No. 396 of 2023 ("the Criminal Complaint") filed by Indo Farm Equipment Ltd ("the Complainant") against M/s. Mumtaz Motors and its proprietor Mr. Mohammed Ibrahim ("the Accused") before Chief Judicial Magistrate, Chandigarh.***

The Complainant has filed the Criminal Complaint against the Accused complaining dishonour of cheque issued by the said Mr. Mohammed Ibrahim for a sum of Rs. 1,415,945/- (Rupees Fourteen Lakhs Fifteen Thousand Nine Hundred and Forty Five only). The Complainant has requested the Court to summon, try and punish the Accused under the provisions of Section 138 of the Negotiable Instruments Act, 1881 along with Section 420 of the Indian Penal Code, 1860. The said Criminal Complaint is pending.

v. ***Criminal Complaint No. 13051 of 2023 ("the Criminal Complaint") filed by Indo Farm Equipment Ltd ("the Complainant") against Ombabu Sharma ("the Accused") before Chief Judicial Magistrate, Chandigarh***

The Complainant has filed the Criminal Complaint against Accused complaining dishonour of cheque issued by him for a sum of Rs. 187,129 /- (Rupees One Lakhs Eight Seven Thousand One Hundred Twenty Nine only). The Complainant has requested the Court to summon, try and punish the Accused under the provisions of Section 138 of the Negotiable Instruments Act, 1881 along with Section 420 of the Indian Penal Code, 1860. The said Criminal Complaint is pending.

vi. ***Criminal Complaint No. 6389 of 2016 ("the Criminal Complaint") filed by Indo Farm Equipment Ltd ("the Complainant") against M/s Shree Balaji Chandan Enterprise and its proprietor Anjna Rani Arora and Chandan Arora ("the Accused") before Chief Judicial Magistrate, Chandigarh***

The Complainant has filed the Criminal Complaint against Accused complaining dishonour of cheque issued by Accused for a sum of Rs. 500,000/- (Rupees Five Lakhs only). The Complainant has requested the Court to summon, try and punish the Accused under the provisions of Section 138 of the Negotiable Instruments Act, 1881. The Complainant has further prayed that the Accused pay compensation amount of Rs. 1,000,000/- (Rupees Ten Lakhs only) being double of the cheque amount along with litigation charges of Rs. 55,000/-. (Rupees Fifty Five Thousand only) The said Criminal Complaint is pending.

vii. ***Criminal Appeal eFiling No. EC-HCBM01-07964-2023*** **("the Criminal Appeal")** ***filed by Indo Farm Equipment Ltd ("the Applicant") against Atul Vinaychandra Shah ("the Respondent") before the Hon'ble High Court of Bombay at Bombay.***

The Respondent was appointed as the dealer of the Applicant on furnishing bank guarantee of Rs. 4,000,000/- (Rupees Forty Lakhs Only). When the Applicant presented the aforementioned bank guarantee to settle the outstanding dues of the Respondent, the Applicant was informed by the bank that the bank guarantee could not be validated. Therefore, the Applicant filed a Criminal Case bearing no. 460 of 2011 against the Respondent under Sections 420, 406, 468, 469, 421 and 472 of the Indian Penal Code, 1860, before Chief Judicial

Magistrate, Satara. The Learned Court vide its Order and Judgement dated September 21, 2022, acquitted the Respondent of all the charges under Sections 420, 406, 468, 469, 421 and 472 of the Indian Penal Code, 1860. Aggrieved by the Order and Judgement dated September 21, 2022, the Applicant has filed the present Criminal Appeal. The Criminal Appeal is pending.

viii. CRM-A bearing No. 1620-MA of 2015 ("the Criminal Appeal") filed by Indo Farm Equipment Ltd ("the Appellant") against M/s Atul Auto and Tractors and its proprietor Atul Vinaychandra Shah ("the Respondents") before the Hon'ble High Court of Punjab & Haryana at Chandigarh.

An application under Section 378(4) of The Code of Criminal Procedure, 1973, was filed by the Appellant praying for grant of leave to appeal against the Judgment and Order dated July 30, 2015 passed by Ld. Judicial Magistrate, 1st Class, Chandigarh in Complaint No. 82 of 2015, pursuant to which the Respondents were acquitted of the charge under Section 138 of the Negotiable Instruments Act, 1881, with regard to dishonour of cheque issued by Atul Vinaychandra Shah for a sum of Rs. 43,67,100/- (Rupees Forty Three Lakhs Sixty Seven Thousand One Hundred only). The said Criminal Appeal is pending.

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation/Matters involving Tax Liabilities

Nature of case	Number of cases	Amount in dispute/ demand (in ₹. to the extent quantifiable)
Direct Tax	3	1,25,23,341
Indirect Tax	NIL	NIL
Total	**3**	**1,25,23,341**

4. Other Pending Litigations

i. **Consumer Cases**

The Company is into the business of manufacture and sale of tractors, cranes, engines and diesel gensets. Consumer disputes pertaining to deficiencies and defects in goods or services arise in the normal course of the business of the Company. A total of 4 (Four) Consumer Complaints have been filed by the Company under Section 12 and Section 35 of the Consumers Protection Act, 2019 and the relevant provisions of the erstwhile Consumer Protection Act, 1986, in relation to deficiency in goods and services. Such Consumer Complaints are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is Rs. 3,415,770/- (Rupees Thirty Four Lakhs Fifteen Thousand Seven Hundred and Seventy only).

II. LITIGATIONS INVOLVING SUBSIDIARY

A. Litigation Against Our Subsidiary

1. Litigation Involving Criminal Matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation/Matters involving Tax Liabilities

NIL

4. Other Pending Litigation

i. **Consumer Complaints**

A total of 7 (Seven) Consumer Complaints have been filed by the Subsidiary under Section 12 and Section 35 of the Consumers Protection Act, 2019 and the relevant provisions of the erstwhile Consumer Protection Act, 1986, in relation to deficiency in goods and services. Such Consumer Complaints are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is Rs. 2,575,000/- (Rupees Twenty Five Lakhs Seventy Five Thousand only).

B. Litigation filed by our Subsidiary

ii. **Litigation Involving Criminal Matters**

The Subsidiary has filed 106 (One Hundred Six) Criminal Complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to the dishonour of cheques issued in its favour. Such Criminal Complaints are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is Rs. 48,253,703/- (Rupees Four Crores Eight Two Lakhs Fifty Three Thousand Seven Hundred and Three Only). Further, in certain cases, the Subsidiary has filed an application under Section 174A of the Indian Penal Code, 1860, *inter alia* praying to direct the concerned police stations to register FIR against the accused persons to be declared as proclaimed offenders.

III. LITIGATIONS INVLOVING PROMOTERS AND DIRECTORS

A. LITIGATION FILED AGAINST OUR PROMOTERS

1. Litigation Involving Criminal Matters

i. Criminal Complaint Number. 3919/2016 ("the Criminal Complaint") filed by Abu Asim ("the Plaintiff") against the Promoter RS Khadwalia, Satprakash Mittal and Sunita Saini ("the Defendants") before the District Court Azamgarh.

The Plaintiff filed the present Criminal Complaint under Sections 406, 420, 467, 468, 474 and 120B of the Indian Penal Code, 1860 against the Defendants. The Plaintiff was the dealer of the Company. The Plaintiff alleges that the Company told the Plaintiff to give stocks to the sub dealers on credit basis and if sub dealers failed to pay the amount to the Plaintiff, then the same can be recovered from the Company. The Plaintiff further alleges that when sub dealers failed to clear their credit standing amount to the Plaintiff, the Plaintiff approached the Defendants to pay the outstanding credit amount which was due from the sub-dealers. The Defendants denied to pay the outstanding credit. Being feared that the Defendants may encash the blank cheques issued by the Plaintiff, the Plaintiff instructed its bank not to process the cheques in the name of the Company. Ultimately, the Plaintiff filed a Criminal Complaint against the Promoter of the Company. The said Criminal Complaint is pending.

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation/Matters involving Tax Liabilities

Nature of cases	Number of cases	Amount in dispute/demand (in ₹ to the extent quantifiable)
Sunita Saini		
Direct Tax	1	578,696
Indirect Tax	NIL	NIL
Total	1	578,696
Diksha Khadwalia		
Direct Tax	1	1,504,813
Indirect Tax	NIL	NIL
Total	1	1,504,813

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal Matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation/Matters involving Tax Liabilities

NIL

4. Other Pending Litigations

i. Regular Second Appeal bearing no. 9643 of 2018 ("the Appeal") filed by R.S. Khadwalia Saini and Smt Sunita Saini ("the Appellants") against Haryana Urban Development Authority and Estate Officer of HUDA ("the Respondents") before the Hon'ble High Court of Punjab and Haryana.

The Plaintiffs filed a suit bearing no. 370/2013 before the Court of Diksha Das Ranga, Civil Judge, Junior Division, Panckula. Haryana Urban Development Authority ("HUDA") opened auction commercial site vide their advertisement in November 2006. The Appellants purchased SCO site no. 413, Sector 20, Panchkula on 29th November 2006. HUDA issued an allotment letter no. EO(P)/2006/17551 dated 14th December 2006 to the Appellants. The Appellants paid a sum of Rs. 7,050,000/- at the time of the bid. The remaining amount of Rs. 10,575,000/- vide various pay orders in order to make 25% of the price of the plot. The Estate Officer issued a show cause notice under Section 17(1) of HUDA Act, on 7th September 2007 wherein the first installment along with penalty was asked to be deposited. The said memo was replied vide letter 12th September 2007 with request not to impose penalty on them and to convert half yearly installment to yearly installment. The Appellants paid second installment of Rs. 9,438,138/- (including Rs. 8,988,750/- as amount due and Rs. 449,438/- as interest for delayed period of 5 months. Further a sum of Rs. 8,782,516/- was deposited including Rs. 8,691,328/- as amount due and Rs. 91,188/- (Rupees Ninety One Thousand One Hundred and Eighty Eight only) as interest for a delayed period of 32 days. The Appellants inspected the site and came to know that Estate Officer has allowed a liquor vend to be constructed adjacent to the suit property. The Appellants lodged a protest in writing in HUDA Office on 4th April 2009. On 13th May 2008, the Appellants requested Respondents to deliver the possession of the suit property after removing liquor vend from adjacent suit property. The Appellants did not pay any subsequent installment as a protest against HUDA for allowing the liquor vend adjacent to the suit property. HUDA issued show cause notice dated 3rd November 2008 under Section 17 of HUDA Act in respect of the suit property asking the Appellants to show cause within the period of 30 days as to why penalty of Rs. 8,51,307/- may not be imposed. HUDA also issued a show cause notice 29th April 2009 under Section 17 sub-Section 2 of HUDA Act, in respect of the suit property. Despite of the Appellants giving detailed reply to the aforementioned show cause notices, the Respondents served Memo No. 498 dated January 13, 2010 wherein the Appellants were informed that the sum of Rs. 3,47,37,865/- is due and payable on respect of the suit property. The Appellants requested the Respondents to withdraw the notices dated 7th September 2007, 3rd January 2008, 29th April 2009 and 13th January 2010, however the Respondents failed to withdraw the notice and therefore the suit was filed wherein the Appellants prayed that a decree for permanent injunction restraining the Defendants from enforcing various show cause notice and from recovering any amount from the Appellants in any manner whatsoever and a decree for recovery of Rs. 20,000,000/- damages on account mental agony etc. The Hon'ble Court of Diksha Das Ranga, Civil Judge, Junior Division, Panckula vide its order 30th January 2014, inter-alia held that there was nothing to show that the show cause notices issued by Respondents were illegal and arbitrary and therefore the suit was dismissed. Aggrieved by the said order, the Appellants filed the first appeal before the additional District Judge Panchukula which vide its order dated 31st July 2018 partly allowed the appeal and held that various show causses issued by Respondents were illegal, null and void. However, notice no. 17014 dated 7th September 2007 and 14237 dated 3rd November 2008 are illegal only upto the extent of penal interest, however the Appellants are not entitled to get decree of recovery of Rs. 20,000,000/-. Aggrieved by the said order passed by the additional District Judge Panchukula, Appellants filed the present second appeal, praying, inter-alia, to (a) dismiss (i) the judgment and decree dated 30th January 2014 in toto and (ii) judgment and decree dated 31st July, 2008 may be set aside to the extent it has been partly dismissed (b) during the pendency of the proceeding, the Respondents be restrained from making any demand of money. The Appeal is pending.

ii. Writ Petition bearing no. 18912 of 2020 ("the Writ Petition") filed by Sat Prakash Mittal and others ("the Petitioner") against Gram Panchayat, Village Majra, Shahzadpur and others ("the Respondents") before the Hon'ble High Court of Punjab and Chandigarh at Chandigarh ("the Hon'ble High Court")

A land admeasuring 625 Kanals 18 Marlas situated at Village Majra, Shahzadpur, Tehsil Naringargh, District Ambala ("**suit land**") was owned by Rao Prithi Singh. Out of the suit land, some land was acquired by the Government for NH 73 vide notification dated 28th May 1971 under Section 4 of the Land Acquisition Act, 1894 followed by declaration under Section 6 of the said Act on 11th April 1972 and an award dated 23rd January 1973 passed in favour of Rao Prithi Singh. Gram Panchayat, Shahzadpur, majra, Respondent No. 1 raised a dispute with Rao Prithi Singh to claim the awarded compensation of the acquired land. The land acquisition collector under Section 30 of the Land Acquisition Act, 1894 referred the dispute to the court. The Respondent No.1 stated that land originally belonged to Rao Preeti Singh and was kept as "Charand" for proprietors and non-proprietors (Bashindgan Deh) and the same was in the possession of Bashindgan Deh when notification under Section 4 was issued. Rao Prithi Singh pleaded that Gram panchayat had no interest in the suit land and that the suit land belonged to him. The learned Additional Civil Judge, Senior Division, Ambala City, held that Gram panchayat had no case and was not entitled to any compensation of the suit land. Gram Panchayat filed regular first appeal number 1488 of 1979 in the Hon'ble High Court and the same was dismissed by the Hon'ble High Court vide its judgment dated 1st July 1997. In the meantime, Rao Prithi Singh died on 25th July 1993 and a mutation no. 3171 dated 28th April 1997 was sanctioned in favour of the legal heirs Sh. Nagender Singh and Sh. Parduman Singh. Gram Panchayat challenged the order dated 1st July 1997 by way of Letters Patent Appeal No. 1918 of 2001 before the Division bench of Hon'ble High Court and the same was also dismissed vide order dated 4th October 2010. In the meantime. Sh. Nagender Singh sold his land vide sale deed no. 1524 dated 22nd September 1998 to the Petitioners and mutation thereof was sanctioned vide mutation number 3235 dated 22nd September 1998. Thereafter, Gram Panchayat filed a special leave petition bearing number CC6798 of 2011 before the Hon'ble Supreme Court of India which was dismissed vide order dated 21st April 2011. Further during the regular first appeal filed by Gram Panchayat, some residents of Village Majra, Shazadpur, tehsil Naraingarh, District Ambala, filed a civil suit no, 162-CC of 1997 on 04th June 1997 on the basis of the same pleas on which the Gram panchayat – Respondent No.1 had filed petition. The said suit was dismissed by Additional Civil Judge, Senior Division, Ambala vide Judgment and decree dated 14th June 2008. Aggrieved by the said order of 14th June 2008, the villagers filed an appeal which was also dismissed by the Additional District Judge, Ambala vide its judgment and decree dated 19th April 2012.

The Gram Panchayat also on 5th September 2001, filed a suit under Section 13-A of the Punjab Village Common Lands (Regulations) Act, 1961 in the court of district collector, Ambala to declare it owner of the suit land and the Court of District Collector vide its order dated 25th October 2016 allowed the suit filed by Gram Panchayat.

The Petitioners filed Appeal No. 339 of 2016-2017 before the Commissioner, Ambala Division, Ambala which was dismissed vide order dated 30th January 2018.

The Petitioners thereafter filed revision petition under Section 13 (AA) of the Punjab Village Common Lands (Regulations) Act, 1961, before Financial Commissioner Haryana which was dismissed vide order dated 20th November 2019 and therefore the present writ petition has been filed challenging the orders dated 20th November 2019 passed by Financial Commissioner Haryana, 30th January 2018 passed by Commissioner, Ambala Division, Ambala and 25th October 2016 passed by court of district collector. The said Writ Petition is pending.

Disciplinary action against our Company, Subsidiaries and Promoters by SEBI or any stock exchange in the last five Financial Years

As on the date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Financial Years including any outstanding action:

Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

As of March 31, 2023, there were 99 creditors to whom a total amount amounting to ₹ 36.78 million was outstanding dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006.

Material Creditors of the Company having amount outstanding as on March 31, 2023 exceeding 1% of the revenue of the Company as per the Restated Financial Statements of the Company.

As of March 31, 2023, we had 931 creditors to whom a total amount amounting to ₹ 309.24 million was outstanding out of which 1 creditor was material creditor in terms of the Materiality Policy and the total amount due to such material creditors was ₹37.81 million.

For further details, please see website at www.indofarm.in

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Material developments occurring after last balance sheet date

Except disclosed elsewhere in this Draft Red Herring Prospectus and in the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 257, there are no material developments after last balance sheet date.

GOVERNMENT AND OTHER KEY APPROVALS

Our Company can undertake the Issue and our Company can undertake its respective current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Issue or continue such business activities. Unless otherwise stated, these material approvals are valid as of the date of this Draft Red Herring Prospectus. The Company has obtained all approvals required for its business and has made applications for the remaining approvals as disclosed in this chapter titled "Government and Other Statutory Approvals" at page 306

Foundry Unit: All the piece of Land comprising of plot no. Industrial Land, measuring 17065 Sq. mts. situated at Export Promotion Industrial Park (EPIPP), Phase II, Baddi, Himachal Pradesh.

Assembling Unit : All the piece of Land comprising of plot no. 26, 27, 28, 29, 30, 69, 70, 71, 72, 73, 82, 83, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98 and 99, measuring 1,10, 775 Sq. mts. Situated at Export Promotion Industrial Park (EPIPP), Phase II, Tehsil Nalagarh, District Solan, Himachal Pradesh.

I. Approvals for the Issue

1. The Board of Directors have, by a resolution passed at its meeting held on August 25, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, by a special resolution passed in the Extra-ordinary General Meeting held on August 31, 2023 authorised the Issue.
3. In-principle approval dated [●] from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. In-principle approval dated [●] from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
5. Our Company's International Securities Identification Number ("**ISIN**") is INE622H01018.

II. Incorporation related Approvals

A. Incorporation related Approvals obtained by the Company

1. Certificate of Incorporation dated October 5, 1994 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh in the name of "Welcut Tools Private Limited".
2. A fresh Certificate of Incorporation consequent upon change of name from "Welcut Tools Private Limited" to "Welcut Industries Private Limited" was issued on February 21, 1995 by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.
3. A fresh Certificate of Incorporation consequent upon change of name from "Welcut Industries Private Limited" to "Indo Farm Equipment Limited" was issued on July 5, 1999 by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.
4. A fresh Certificate of Incorporation consequent upon change of name from "Indo Farm Equipment Limited" to "Indo Farm Tractors and Motors Limited" was issued on October 30, 2003 by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.
5. A fresh Certificate of Incorporation consequent upon change of name from "Indo Farm Tractors and Motors Limited" to "Indo Farm Industries Limited" was issued on December 18, 2007 by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.
6. A fresh Certificate of Incorporation consequent upon change of name from "Indo Farm Industries Limited" to "Indo Farm Equipment Limited" was issued on November 4, 2009 by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.
7. The CIN of the Company is U29219CH1994PLC015132.

B. Incorporation related Approvals obtained by the Subsidiary

a. Barota Finance Limited

1. Certificate of Incorporation dated October 24, 2016 issued by the Deputy Registrar of Companies, for and on behalf of the Jurisdictional Registrar of Companies, Central Registration Centre in the name of "Barota Finance Limited".
2. CIN of Barota Finance Limited is U67200CH2016PLC041263.

III. Business Related Approvals

A. Business related Approvals obtained by the Company

General Approvals:

1. Certificate of verification issued under Legal Metrology Act on July 17, 2023 and is valid until July 16, 2024.
2. Registration-Cum-Membership Certificate issued on September 19, 2023 by EEPC India (formerly Engineering Export Promotion Council) and is valid until March 31, 2024.

Approvals obtained by the Company for Foundry Unit

1. Factory License under Factories Act, 1948 issued on January 1, 2023 and is valid until December 31, 2023.
2. No Objection Certificate with regards to measures adopted for protection against fire issued by Directorate of Fire Services, Himachal Pradesh on August 26, 2022 and is valid until August 25, 2024.
3. Office Order for sanction of 1700 KW connected load with contract demand of 1700 KW bearing no. HPSEB/CE(Comm)/PC Baddi/2005 issued by Himachal Pradesh State Electricity Board, Office of Chief Engineer (OP) South on June 30, 2006.*
4. Acknowledgment of Entrepreneur Memorandum Part II issued by Government of Himachal Pradesh, Department of Industries, Office of Dy. Director of Industries, Single Window Clearance, Baddi Dist. Solan, Himachal Pradesh on November 01, 2014.

**The said license is issued in the name of Indo Farm Tractors and Motors Ltd. Our Company has made the application to transfer the said license in its present name. For details, see "Application made by the Company– Government and other Approval" on page 320 of this Draft Red Herring Prospectus.*

Approvals obtained by the Company for Assembling Unit

1. License issued for storing petroleum in tanks in connection with pump outfit for fuelling motor conveyances by Ministry of Commerce and Industry, Petroleum and Explosives Safety Organization (PESO) on November 10, 2014 and is valid until December 31, 2023.

Crane Assembly Division

1. Factory License under Factories Act, 1948 issued on January 1, 2023 and is valid until December 31, 2023.
2. No Objection Certificate with regards to measures adopted for protection against fire issued by Directorate of Fire Services Himachal Pradesh on August 26, 2022 and is valid until August 25, 2024
3. Office Order for sanction of 495.91 KW with 495.91 KW contract demand at 1100 Volt bearing no. HC-II/CS-c-1-2300/09 16474-76 issued by Himachal Pradesh State Electricity Board, Office of Chief Engineer (OP) South on March 15, 2010.
4. Acknowledgment of Entrepreneur Memorandum Part II issued by Government of Himachal Pradesh, Department of Industries, Office of Dy. Director of Industries, Single Window Clearance, Baddi Dist. Solan, Himachal Pradesh on August 14, 2014.

Tractor Assembly Division

1. Factory License under Factories Act, 1948 issued on January 1, 2023 and is valid until December 31, 2023.
2. No Objection Certificate with regards to measures adopted for protection against fire issued by Directorate of Fire Services Himachal Pradesh on August 26, 2022 and is valid until August 25, 2024.
3. No Objection Certificate for installing of Diesel Generating sets of capacity 1x500 KVA bearing no. HPSEB/CE/(Comm)/PC-DGS(XV)/2004-98L6-22 issued by Himachal Pradesh State Electricity Board, Chief Engineer (Comm), HPSEB, Vidyut Bhawan, Shimla-171004 on December 3, 2004.*
4. Office Order for sanction of 1338.2 KW with 895 KVA at 11000 Volts bearing no. HC-11 CS-e-1840/03/3739-42 issued by Himachal Pradesh State Electricity Board, Office of Chief Engineer (OP) South on February 3, 2004.*
5. Letter of endorsement of Plant & Machinery & Product issued by Government of Himachal Pradesh, Department of Industries, Office of Dy. Director of Industries, Single Window Clearance, Baddi Dist. Solan, Himachal Pradesh on June 06, 2009.

**The said licenses are issued in the name of Indo Farm Tractors and Motors Ltd. Our Company has made the application to transfer the said licenses in its present name. For details, see "Application made by the Company– Government and other Approval" on page 320 of this Draft Red Herring Prospectus.*

B. **Business related Approvals obtained by the Subsidiary**

a. Barota Finance Limited

1. Certificate of registration dated April 12, 2017 granted by the RBI bearing registration number B-06.00606, to Barota Finance Limited, pursuant to which the Company is allowed to carry on the business of a non-banking financial institution, subject to the conditions mentioned therein.

2. Certificate of membership dated June 1, 2017 granted by the Trans Union CIBIL bearing member code NB4107.

3. Certificate of membership with CRIF High Mark Credit Information Services Private Limited bearing membership number NBF0001664 valid until February, 2024.

4. Certificate for Legal Entity Identifier Registration bearing number 9845000C601A10E49F21 valid until December 1, 2024.

5. Information Utility Services Agreement entered between Barota Finance Limited and National e Governance Services Limited on March 19, 2019.

IV. Quality Certifications

A. Quality certificates obtained by the Company

i. Certificate bearing no. M/IN-QF115046 issued for Quality Management System (ISO 9001:2015) for Design, Development, Manufacturing, Marketing of Tractors, Engines, Automotive casting Road Mobile Cranes, Tractor parts and Road mobile crane parts Sales & Service of Electronic Speed Limiting Devices, GSM/ GPRS/ GPS Based Communication. The Certificate was issued on June 14, 2022 and is valid till June 13, 2026.

V. Product Related Approvals

A. Approvals obtained by the Company

Sr. No.	Type of License/ Approval	Issuing Authority	Reference/ Registration/ License No	Date of Issue/ Renewal	Valid upto
1.	Commercial Test Report for Indo Farm 2042 DI HS Tractor	Central Farm Machinery Training and Testing Institute, Budni	ICT/Batch Test Report No. T-1525/2052/2021	March 2021	March 31, 2024
2.	Commercial Test Report for Indo Farm 3048 DI C-Mesh Tractor	Central Farm Machinery Training and Testing Institute, Budni	ICT/Batch Test Report No. T-1733/2264/2023	May, 2023	May 31, 2030
3.	Certificate for Compliance to Smoke & Mass Emission for Engine Model 3075 DI TS-IV and Variant Model 3060 DI TS-IV used in tractor model.	International Centre for Automotive Technology	CORE1046	October 18, 2022	-
4.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model 1020	International Centre For Automotive	CMVR No-CALD0793E01	February 28, 2023	-

Sr. No.	Type of License/ Approval	Issuing Authority	Reference/ Registration/ License No	Date of Issue/ Renewal	Valid upto
	DI	Technology			
5.	Certificate for Agricultural Wheeled Tractor for Compliance to the Central Motor Vehicle Rules for Base Model of INDO FARM 2030 DI HS	Central Farm Machinery Training and Testing Institute, Budni	CMVR/T-211/259/2009-2010	May 28, 2009	-
6.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model 1026.	International Centre For Automotive Technology	CMVR no. CAGD0031F01	April 28, 2023	-
7.	Certificate for Agricultural Wheeled Tractor for Compliance to the Central Motor Vehicle Rules for Base Model INDO Farm 2035 DI DX.	Central Farm Machinery Training and Testing Institute, Budni	CMVR/T-212/260/2009-2010	May 28, 2009	-
8.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model Indo Farm 2042 DI HS	International Centre For Automotive Technology	CMVR no. CAKD0178	August 10, 2020	-
9.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model 3040 DI and Variant Model Indo Farm 3040 DI C-Mesh, Indo Farm 3035 DI C-Mesh, Indo Farm 3035 DI, Indo Farm 3035 DI XP and Indo Farm 3035 DI XP C-Mesh.	International Centre For Automotive Technology	CMVR no. CAID0136F01	July 23, 2019	-
10.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model Indo Farm 3055 NV C-MESH 4WD and Variant Models Indo Farm 3048 DI, Indo Farm 3048 DI C-Mesh, Indo Farm 3048 DI C-Mesh 4WD, Indo Farm 3050 DI C-Mesh, Indo Farm 3050 DI C-Mesh 4WD, Indo Farm 3055 NV and Indo Farm 3055 NV C-Mesh.	International Centre For Automotive Technology	CMVR no. CAHD0216F01	January 09. 2023	-
11.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model Indo Farm 3060 DI HT C-MESH 4WD and Variant Model Indo Farm 3060 DI HT C-Mesh, Indo Farm 3055 DI HT C-Mesh and Indo Farm 3055 DI HT C-Mesh 4WD.	International Centre For Automotive Technology	CMVR no. CAMD0618	June 7, 2022	-
12.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model 3075 DI C-Mesh TS-IV and Variant Models 3075 DI C-	International Centre For Automotive Technology	CMVR no. CAND0418	April 19, 2022	-

Sr. No.	Type of License/ Approval	Issuing Authority	Reference/ Registration/ License No	Date of Issue/ Renewal	Valid upto
	Mesh TS-IV manufactured by Indo Farm Equipment Ltd.				
13.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 12 AV and Variant Models INDO POWER 11, INDO POWER 9 and INDO POWER 14AV.	International Centre For Automotive Technology	CMVR no. CAIN0010F01	May 24, 2018	-
14.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 16 and Variant Models INDO POWER 14, INDO POWER 20, INDO POWER 15 and INDO POWER 17.	International Centre For Automotive Technology	CMVR no. CAQN0383F01V01	June 29, 2022	-
15.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 25M.	International Centre For Automotive Technology	CMVR no. CAQN1100E01	February 17, 2022	-
16.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER CT.	International Centre For Automotive Technology	CMVR no. CASN0168	February 20, 2023	-
17.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 17 FNX PLUS and Variant Models INDO POWER 15 FNX PLUS, INDO POWER 17 FNX, INDO POWER 15 FNX.	International Centre For Automotive Technology	CMVR no. CAQN0456	June 6, 2021	-
18.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 15 FN.	International Centre For Automotive Technology	CMVR no. CAQN1091	December 9, 2021	-
19.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 15 FNT.	International Centre For Automotive Technology	CMVR no. CARN1145	November 25, 2022	-
20.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 23 FN and Variant Models INDO POWER 20 FN, INDO POWER 18 FN and INDO POWER 15 FN	International Centre For Automotive Technology	CMVR no. CAQN0950F01	December 9, 2021	-
21.	Certificate for Compliance to the Central Motor Vehicle Rules for Base Model INDO POWER 30 FN.	International Centre For Automotive Technology	CMVR no. CASN0169	February 20, 2023	-

VI. Labour Related Approvals

A. Approvals obtained by the Company

General Approvals:

1. Allotment of code bearing no. HPSML0001887000 under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 issued on January 21, 2015.
2. Implementation letter for the certificate of registration issued bearing no. 14000430860000704 under Section 1(3)/1(5) of the Employees' State Insurance Act, 1948 on October 28, 2010.
3. Intimation receipt under Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 issued for premises at Shop No. 77/47, Office no. 202, Wing 8, A 1 A and 77/71, Parmar Park, Van Wadi, Pune City- 411040 on January 08, 2019.
4. Certificate of registration under Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 issued for premises at Sahara Estate, 94-95, New Bahar Duplex, Bhojpur Road, Bhopal, Madhya Pradesh-462026 on September 11, 2023.
5. Certificate of Registration of Trade Unions under the Trade Unions Act, 1926 issued in the name of Indo Farm Equipment Workers Union on May 30, 2011.

Approvals obtained by the Company for Foundry Unit

1. Certificate of registration under Sub-Section (2) of Section 7 of the Contract Labour (Regulation and Abolition) Act, l970 issued on March 23, 2006 and is valid until May 31, 2024.

Approvals obtained by the Company for Assembling Unit

Tractor Assembly Division

1. Certificate of Registration issued under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, l970 issued on July 4, 2007 which is valid until May 31, 2024.

B. Approvals obtained by the Subsidiary

a. Barota Finance Limited

1. Implementation letter for the certificate of registration bearing no. 17000612210000999 issued under Section 1(3)/1(5) of the Employees' State Insurance Act, 1948 for the premises situated at SCO 859, NAC, Manimajra Chandigarh- 160101 on December 21, 2017.
2. Allotment of code bearing no. PBCHD1674086000 under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 issued on December 23, 2017.
3. Certificate of registration under Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 issued for premises at SCO 859, Ground Floor, NAC Kalka Chandigarh Road Sector 13, Chandigarh 160101 on September 6, 2023 which is valid until September 5, 2028.

VII. TAX RELATED APPROVALS

A. Approvals obtained by the Company

Sr.No.	Description	Registration Number	Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAACW1982A	Income Tax Department, Government of India	December 1, 2009	Valid until cancelled
2.	Tax Deduction Account Number	PTLI10174D	Income Tax Department, Government of India	January 31, 2020	Valid until cancelled
3.	Certificate of Registration issued under the provisions of Central Goods and	02AAACW1982A1ZV	GST Department, Central Board of Indirect Taxes and Customs	September 26, 2017	Valid until cancelled

Sr.No.	Description	Registration Number	Authority	Date of Issue	Date of Expiry
	Service Tax Act, 2017 to the Company having place of business at EPIP, Phase-II, Baddi, Solan, Himachal Pradesh, 173205. *Additional places of business:* *1. Plot No. 104-105, Hpsidc Industrial Area, Baddi, Solan, Himachal Pradesh, 173205* *2. Plot No. 104-105, Hpsidc Ind Area, Baddi, Solan, Himachal Pradesh, 173205*				
4.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Sahara Estate, 94-95, New Bahar Duplex, Bhojpur Road, Bhopal, Bhopal, Madhya Pradesh, 462026.	23AAACW1982A1ZR	GST Department, Central Board of Indirect Taxes and Customs	July 18, 2018	Valid until Cancelled
5.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at 402, Opp. Bhawani Niketan, Sikar Road, Jaipur, Rajasthan, 302013	08AAACW1982A1ZJ	GST Department, Central Board of Indirect Taxes and Customs	July 16, 2018	Valid until Cancelled
6.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Bye Pass, NH-2, Kalipahari, Kalipahari More, Bardhaman, West Bengal, 713339.	19AAACW1982A1ZG	GST Department, Central Board of Indirect Taxes and Customs	July 17, 2018	Valid until Cancelled
7.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Haveli, 112 A/P, Uruli	27AAACW1982A1ZJ	GST Department, Central Board of Indirect Taxes and Customs	July 29, 2018	Valid until Cancelled

Sr.No.	Description	Registration Number	Authority	Date of Issue	Date of Expiry
	Devachi, Hadapsar Pune Saswad Road, Uruli-Dewachi, Pune, Maharashtra, 412308.				
8.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at SCO-859, NAC, Manimajra, Chandigarh, Chandigarh, 160101	04AAACW1982A2ZQ	GST Department, Central Board of Indirect Taxes and Customs	April 24, 2018	Valid until Cancelled
9.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Plot No 101, 26 1 20/41, Chinagantyada, Visakhapatnam, Andhra Pradesh, 530044	37AAACW1982A1ZI	GST Department, Central Board of Indirect Taxes and Customs	July 17, 2018	Valid until Cancelled
10.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Khasra No-778/13-36, Nalghar Road, Bhatagaon Raipur, Raigarh, Chhattisgarh, 492013	22AAACW1982A2ZS	GST Department, Central Board of Indirect Taxes and Customs	June 27, 2018	Valid until Cancelled
11.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at PLOT NO. 7, 12, 13, Satur Industrial Area, Sattur, Dharwad, Karnataka, 580009 α*	29AAACW1982A1ZF	GST Department, Central Board of Indirect Taxes and Customs	July 8, 2018	Valid until Cancelled
12.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of Business At Khizrabad, Kharar, Sas Nagar, Mohali, Sas Nagar, Punjab, 140301	03AAACW1982A1ZT	GST Department, Central Board of Indirect Taxes and Customs	September 20, 2017	Valid until Cancelled

Sr.No.	Description	Registration Number	Authority	Date of Issue	Date of Expiry
	α*				
13.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Plot No.139/99 C, Edamalaipatti, Pudur Trichy, Tiruchirappalli, Tamil Nadu, 620012 α*	33AAACW1982A1ZQ	GST Department, Central Board of Indirect Taxes and Customs	August 2, 2018	Valid until Cancelled
14.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at 1-10-28/228/9a, NAGARJUN NAGAR COLONY, KUSHAIGUDA, ECIL POST, Hyderabad, Telangana, 500062 α*	36AAACW1982A1ZK	GST Department, Central Board of Indirect Taxes and Customs	July 18, 2018	Valid until Cancelled
15.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Plot No 1646, Mauza Mahadeo Pur, Bihta, Patna, Bihar, 801103.	10AAACW1982A1ZY	GST Department, Central Board of Indirect Taxes and Customs	September 20, 2017	Valid until Cancelled
16.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at B-1/47, Sector-J, Aliganj, Lucknow, Uttar Pradesh, 2026024	09AAACW1982A1ZH	GST Department, Central Board of Indirect Taxes and Customs	July 27, 2018	Valid until Cancelled
17.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Anand Complex, A/8, 2nd Floor, Nr. Sola BRIDGE, S.G.HIGHWAY, Ahmedabad, Gujarat, 380054 α*	24AAACW1982A1ZP	GST Department, Central Board of Indirect Taxes and Customs	July 6, 2018	Valid until Cancelled

Sr.No.	Description	Registration Number	Authority	Date of Issue	Date of Expiry
18.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to the Company having place of business at Sahara Estate, 94-95, New Bahar Duplex, Bhojpur Road, Bhopal, Bhopal, Madhya Pradesh, 462026.	23AAACW1982A1ZR	GST Department, Central Board of Indirect Taxes and Customs	July 18, 2018	Valid until Cancelled
19.	Certificate of Importer-Exporter Code (IEC)	2299002499	Foreign Trade Development Commissioner, Ministry of Commerce and Industry.	February 14, 2000	Valid until cancelled

α* *Our Company have made the applications to cancel the GST registration. The applications are under process.*

B. Approvals obtained by the Subsidiary Barota Finance Limited

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAGCB9395C	November 9, 2016	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India.	PTLB14008B	May 17, 2017	Valid until cancelled
3.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 to Barota Finance Limited having place of business at SCO-859, NAC Manimajra, Chandigarh, Chandigarh-160101	GST Department, Central Board of Indirect Taxes and Customs	04AAAGCB9375CIZR	July 28, 2019	Valid until cancelled

VIII. Environment Related Approvals

A. Approvals obtained by the Company

Approvals obtained by the Company for Foundry Unit

1. Consent to Operate under Section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 issued on April 1, 2019 and is valid until March 31, 2024.*
**The said license is issued in the name of Indo Farm Industries Limited. Our Company is yet to make the application to transfer the said license in its present name. For details, see "Application yet to be made by the Company– Government and other Approval" on page 320 of this Draft Red Herring Prospectus.*

Approvals obtained by the Company for Assembling Unit

Crane Assembly Division

1. Consent to Operate under Section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 issued on April 1, 2019 and is valid until March 31, 2029.

Tractor Assembly Division

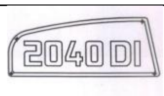
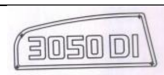
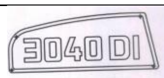
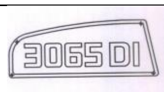
1. Consent to Operate under Section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 issued on April 1, 2019 which is valid until March 31, 2029.

IX. Intellectual Property Related Approvals

A. Approvals obtained by the Company

S. No.	Description	Applicant	Application No.	Date of issue/renewal of certificate/ Date of Application	Date of expiry	Status	Trademark
1.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 5089891 **Class:** 7 in respect of Pick-N-Carry Hydraulic Mobile Cranes	August 16, 2021	August 15, 2031	Registered	INDO POWER
2.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Indo Farm Industries Ltd	**Trademark Application No.:** 2682586 **Class:** 7 in respect of Electric generators	February 19, 2014	February 18, 2024	Registered	INDO POWER
3.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 5394152 **Class:** 7 in respect of Pick-N-Carry Hydraulic Cranes, Pick-N-Carry Hydraulic Mobile Cranes, Tower Cranes,	April 02, 2022	April 01, 2032	Registered	INDO SHAKTI

S. No.	Description	Applicant	Application No.	Date of issue/renewal of certificate/ Date of Application	Date of expiry	Status	Trademark
			Construction Equipments, Safe Cranes				
4.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 3356251 **Class:** 7 in respect of Agricultural Implements Other Then Hand Operated, Agricultural Machines, Cranes, Cultivators, Generators Of Electricity, Pumps, Harvesting Machines And Loaders.	September 07, 2016	September 06, 2026	Registered	INFRA POWER
5.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 3356254 **Class:** 12 in respect of Tractors its parts and fittings included in Class 12	September 07, 2016	September 06, 2026	Registered	NAM FARM
6.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 1526980 **Class:** 12 in respect of Vehicles for Locomotion by Land Tractors and Parts & Fittings thereof in Class 12	January 31, 2007	January 31, 2027	Registered	2030 DI
7.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the	Company	**Trademark Application No.:** 1526981 **Class:** 12 in respect of Vehicles for Locomotion by Land Tractors and Parts &	January 31, 2007	January 31, 2027	Registered	2035 DI

S. No.	Description	Applicant	Application No.	Date of issue/renewal of certificate/ Date of Application	Date of expiry	Status	Trademark
	Registrar of Trademarks, India.		Fittings thereof in Class 12.				
8.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 1526982 **Class:** 12 in respect of Vehicles for Locomotion by Land Tractors and Parts & Fittings thereof in Class 12.	January 31, 2007	January 31, 2027	Registered	
9.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 1526987 **Class:** 12 in respect of Vehicles for Locomotion by Land Tractors and Parts & Fittings thereof in Class 12.	January 31, 2007	January 31, 2027	Registered	
10.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 1526986 **Class:** 12 in respect of Vehicles for Locomotion by Land Tractors and Parts & Fittings thereof in Class 12.	January 31, 2007	January 31, 2027	Registered	
11.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 1526988 **Class:** 12 in respect of Vehicles for Locomotion by Land Tractors and Parts & Fittings thereof in Class 12.	January 31, 2007	January 31, 2027	Registered	
12.	Certificate of registration of trade	Company	**Trademark Application No.:** 1526989 **Class:** 12 in	January 31, 2007	January 31, 2027	Registered	

S. No.	Description	Applicant	Application No.	Date of issue/renewal of certificate/ Date of Application	Date of expiry	Status	Trademark
	mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.		respect of Vehicles for Locomotion by Land Tractors and Parts & Fittings thereof in Class 12.				
13.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 3356249 **Class:** 12 in respect of Tractors its parts and fittings included in Class 12.	September 07, 2016	September 06, 2026	Registered	Agricom
14.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 3356248 **Class:** 37 in respect of Rental of Construction Equipment, Machinery Histalation and Repair. Motor Vehicle Maintenance and Repair, Rentals of Cranes	September 07, 2016	September 06, 2026	Registered	INDO FARM
15	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Company	**Trademark Application No.:** 988449 **Class:** 12 in respect of Vehicles Apparatus for Surface Locomotion-Tractors-Plarts and Fittings Thereof Goods included in Class 12.	February 06, 2001	February 06, 2031	Registered	INDO FARM

B Approvals obtained by the Subsidiary

a. Barota Finance Limited

S. No.	Description	Applicant	Application No.	Date of issue/renewal of certificate/ Date of Application	Date of expiry	Status	Trademark
1.	Certificate of registration of trade mark issued under the Trade Marks Act, 1999 by the Registrar of Trademarks, India.	Barota Finance Limited	**Trademark Application No.:** 3694094 **Class:** 36	December 4, 2017	December 3, 2027	Registered	BAROTA

X. Pending Approvals

A. Applications made by the Company

1. The Company has applied for authorization under Rule 6(1) of the Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 for generation or collection or storage or transport or reception or recycling or reuse or recovery or pre-processing or co-processing or utilisation or treatment or disposal of Hazardous and Other Waste.
2. The Company has applied for Approval of Indo Farm Tractor Model No. 3040 DI with the Central Farm Machinery Training and Testing Institute, Budni bearing Test fee receipt no. 2806230045800.
3. The Company has applied for the issuance of Status Holder Certificate to RA Directorate General of Foreign Trade, Delhi bearing file number as HQRSTATAPPLY00000047AM24.
4. The Company has made application for name change for power sanction certificate bearing no. HPSEB/CE (Comm)/PC Baddi/2005.
5. The Company has made application for name change for power sanction certificate bearing no. HC-11 CS-e-1840/03/3739-42.
6. The Company has made application for name change for no objection certificate for installing of Diesel Generating sets bearing no. HPSEB/CE/(Comm)/PC-DGS(XV)/2004-98L6-22.
7. The Company has made the application for cancellation of registration issued under the provisions of Central Goods and Service Tax Act, 2017 for the state of Karnataka, Punjab, Tamil Nadu, Telangana and Gujarat.
8. The Company has applied for certificate of Shops and Establishment under Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 for premises at Municipal Premises No. 27-3-215/2, Kolluri Complex, Jaggu Junction, Kamavanipalem, old Gajuwaka, Vishakapatnam-530044.

B. Applications made by the Subsidiary

a. Barota Finance Limited

1. The Subsidiary has applied for CERSAI Central KYC with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.

XI. APPLICATIONS YET TO BE MADE

A. Applications yet to be made by the Company

1. Our Company is yet to make an application for transfer the certificate of Consent to Operate under Section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 for Foundry Unit in its present name.

XII. Approvals Applied for in Relation to the Objects of the Issue

Our Company has filed applications with relevant authorities to seek the following initial approval, in relation to the Proposed Manufacturing Unit, as set out in "*Objects of the Issue – Details of the Objects of the Fresh Issue –Setting up new Dedicated Unit for Expansion of our Pick & Carry Cranes Manufacturing Capacity" on page* 78 of this Draft Red Herring Prospectus.

SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on August 25, 2023 the Shareholders have approved the Offer by a special resolution passed in accordance with Section 62(1) (c) of the Companies Act, 2013, at its Extra-Ordinary General Meeting held on August 31, 2023.

The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on September 28, 2023.

The Offer for Sale has been authorised by the Promoter Selling Shareholder by his consent letter dated August 30, 2023 and the no. of Equity Shares offered are as follows:

Name of the Promoter Selling Shareholder	No. of Equity Shares Offered
Ranbir Singh Khadwalia	3,500,000

The Promoter Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and that he has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Promoter Selling Shareholder has also confirmed that he is the legal and beneficial owner of the Equity Shares being offered by him under the Offer for Sale.

In- principle Listing Approvals:

1. We have received In-principle approval from BSE for the listing of our Equity Shares pursuant to a letter dated [●].

2. We have received In-principle approval from NSE for the listing of our Equity Shares pursuant to a letter dated [●].

Prohibition by SEBI or Governmental Authorities

Our Company, Promoters, the Promoter Selling Shareholder, members of Promoter Group and Directors are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter or Directors are or were associated as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoter and Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters issued by the RBI.

Our Promoter or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter (also the Selling Shareholder), members of Promoter Group and the Promoter Selling Shareholder, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Association with Securities Market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹ 30 million (₹ 3 Crores), calculated on a restated & consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50 % are held in monetary assets;

- Our Company has an average operating profit of at least ₹ 150 million (₹ 15 Crores), calculated on a restated & consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹ 10 million (₹ 1 Crore) in each of the preceding three full years (of 12 months each) calculated on a restated & consolidated basis; and

- Our Company has not changed its name in the last one year immediately preceding the date of filing of this Draft Red Herring Prospectus.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, average operating profits and net worth, derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021 are set forth below:

(₹ in Millions)

Particulars	As at and for the Fiscal ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Net Tangible Assets, as restated(1)	2,845.95	2,701.11	2,584.24
Monetary assets, as restated(2)	36.26	29.80	25.11
Monetary assets as a percentage of nettangible assets, as restated	1.27%	1.10%	0.97%
Operating Profits, as restated(3)	488.33	425.65	322.90
Net Worth, as restated(4)	2,905.66	2,748.03	2,612.46

1) *"Net tangible assets" is the sum of all assets less liabilities of the Company (on a consolidated basis), as applicable excluding intangible assets as defined in Indian Accounting Standard 38 (Ind AS 38) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 and in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations.*

2) *Monetary assets comprise of cash and bank balances upto twelve months maturity.*

3) *"Operating profit" has been calculated as restated profit before finance costs, other income, exceptional item and tax expenses, each on a restated and consolidated financial statement. Further the Company has operating profits in each of the preceding three years.*

4) *"Net worth" means the aggregate of paid up equity capital and Other Equity (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off), as per the restated consolidated financial statement of assets and liabilities of our Company.*

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire bid money will be refunded forthwith.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

- Neither our Company, nor our Promoter (also the Selling Shareholder), members of our Promoter Group or our Directors, is debarred from accessing the capital markets by the SEBI.

- Neither our Promoter nor our Directors is a promoter or directors of any other companies which is debarred from accessing the capital markets by the SEBI.

- Neither our Company nor our Promoter or our Directors is a Wilful Defaulter or a Fraudulent Borrower.

- Neither our Directors nor our Promoter has been declared a fugitive economic offender.

- There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus

The Promoter Selling Shareholder confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLM, ARYAMAN FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLM ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME; WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholder and the Book Running Lead Manager

Our Company, the Directors, the Promoter Selling Shareholder and the Book Running Lead Manager accept no responsibility for statements made otherwise than those confirmed in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website, www.indofarm.in, would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into among the Underwriters, our Company and the Promoter Selling Shareholder.

All information shall be made available by our Company, the Promoter Selling Shareholder (to the extent that the information pertain to themselves and their respective portion of the Offered Shares) 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 Bidding Centres or elsewhere.

None among our Company, the Promoter Selling Shareholder or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not Offer, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families ("HUFs"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds ("AIFs"), Foreign Portfolio Investors registered with SEBI ("FPIs") and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India 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, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur; and (ii) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to Section 4(a) of the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Plot no. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra and electronically on the platform provided by SEBI.

A copy of the Red Herring Prospectus, along with the material contract and documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 and 28 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, Chandigarh, 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh 160019, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company; to the extent such assistance is required from the Promoter Selling Shareholder in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing our Directors, the Promoter Selling Shareholder, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Legal Advisor, the Book Running Lead Manager, Bankers to our Company, consent from Charetred Engineer, the Syndicate Members, Banker to the Offer, Sponsor Bank, Registrar to the Company, the Registrar to the Offer and Share Escrow Agent to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, Deepak Jindal and Co, Chartered Accountants, Statutory Auditor have provided their written consent to the inclusion of their Report on Restated Consolidation Financial Statements dated September 18, 2023 and Report on Statement of Tax Benefits dated September 19, 2023, which may be available to the Company and its shareholder, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consents and reports will not been withdrawn up to the time of filing of this Draft Red Herring Prospectus.

Expert Opinion

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

a) Our Company has received written consent dated September 19, 2023 from M/S. Deepak Jindal & Co., to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft 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 their (i) examination report, dated September 18, 2023 on our Restated Consolidated Financial Statements; and (ii) their report dated September 18, 2023 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

b) Our Company has received written consent dated September 27, 2023 from the independent professional engineer, namely Mr. Nikka Ram (registration number: PE-7002565), to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a professional engineer, in relation to his Detailed Project Report dated September 27, 2023 certifying the estimated cost and other relevant information for the Proposed Project and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus

However, the term "expert" shall not be construed to mean "Experts" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Our Company or listed group companies or subsidiaries or associate entity has not undertaken any public or rights issue to the public in the three years preceding the date of this Draft Red Herring Prospectus

PERFORMANCE VIS-À-VIS OBJECTS

Our Company

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

Listed Subsidiary (ies)/ Promoter

None of our Subsidiary / Promoter has made any rights and public issues in the past five (5) years.

Price Information of past issues handled by the Book Running Lead Manager

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Aryaman Financial Services Limited

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180th calendar days from listing	
1	HMA Agro Industries Limited	480.00	585.00	04-07-23	615	1.60%	(0.36%)	NA	NA	NA	NA
2	CFF Fluid Control Limited	85.80	165.00	12-06-23	175	61.79%	4.26%	378.48%	6.18%	NA	NA
3	Command Polymers Limited	7.08	28.00	29-03-23	26.75	(3.75%)	5.44%	(4.64%)	9.41%	(9.29%)	13.91%
4	Rex Sealing and Packing Industries Limited	8.08	135.00	12-01-23	137.00	15.52%	1.21%	5.04%	0.73%	(24.59%)	9.44%
5	Abans Holding Limited	345.60	270.00	23-12-22	270.00	(0.35%)	1.30%	(12.35%)	(3.21%)	7.63%	6.15%
6	EP Biocomposites Limited	6.35	126.00	13-09-22	160.25	100.40%	(5.51%)	36.51%	2.57%	71.43%	(2.37%)
7	Rhetan TMT Limited	56.00	70.00	05-09-22	70.00	75.50%	(1.99%)	306.93%	6.11%	632.86%	0.95%
8	Modi'sNavnirman Limited	22.68	180.00	06-07-22	189.00	75.00%	8.63%	85.83%	8.03%	204.67%(3)	13.80%
9	SP Refractories Limited	4.92	90.00	22-03-22	90.20	(11.11%)	0.45%	(8.89%)	(11.35%)	(11.11%)	1.24%
10	Fabino Life Sciences Limited	3.24	36.00	13-01-22	38.45	(1.53%)	(5.03%)	(27.78%)	(4.73%)	(33.33%)	(12.00%)

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day			Nos. of IPOs trading at premium - 30th calendar day from listing day			Nos. of IPOs trading at discount - 180th calendar day from listing day			Nos. of IPOs trading at premium - 180th calendar day from listing day		
			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%
2023-24	2	565.80	0	0	0	1	0	1	NA	NA	NA	NA	NA	NA
2022-23	6	445.79	0	0	2	3	0	1	0	0	2	3	0	1
2021-22	7	74.60	0	0	2	0	1	4	0	1	1	1	1	3

Notes:

(1) Since the listing date of HMA Agro Industries Limited was on July 04, 2023, information related to closing price and benchmark index as on the 90th and 180th calendar day from the listing date is not applicable.

(2) Since the listing date of CFF Fluid Control Limited was on June 12, 2023, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.

(3) As on the 180th calender day from the listing day, the price of Modi's Navnirman Limited would have being ₹ 548.40, considering the corporate announcement i.e Bonus issue in the ratio 3:1. Actual price as on 180th calendar day is ₹137.10.

(4) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

(5) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

(6) Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager to the Offer as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited –*www.afsl.co.in*

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for Redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek Redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular 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 in the events of delayed unblock for cancelled/ withdrawn/ deleted bids, blocking of multiple amounts for the same UPI bid, blocking of more amount than the bid amount, delayed unblocking of amounts for non-allotted/ partially-allotted bids for the stipulated period. In an event there is a delay in Redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the bid amount for the period of such delay

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, PAN, Client ID, UPI ID (in case of RIBs using the UPI Mechanism), date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated

Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the Book Running Lead Manager.

Our Company has also appointed Navpreet Kaur, Company Secretary and Compliance Officer of our Company. For details, see "*General Information*" beginning on page no.58 of this Draft Red Herring Prospectus.

Our Company has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular no.CIR/OIAE/1/2013 dated April 17, 2013 in relation to Redressal of investor grievances through SCORES.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the Redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Disposal of Investor Grievances by our listed Group Company(s)

All share related matters, namely transfer, transmission, transposition, dividend, change of name, address and signature of mandate and power of attorney, replacement, split, consolidation, dematerialization and rematerialization of shares, issue of duplicate certificates etc. are handled by Indo Farm Equipment Limited's Registrar and Transfer Agent, being Mass Services Private Limited.

As on date of this Draft Red Herring Prospectus, there was nil outstanding investor grievance pending against Indo Farm Equipment Limited.

SECTION X – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, transferred and Allotted pursuant to this Offer are subject to the provisions of the Companies Act, SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, any Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder Expenses for the Offer shall be shared amongst our Company and Promoter Selling Shareholder in the manner specified in "*Objects of the Offer –Offer Related Expenses*" on page 85 of this Draft Red Herring Prospectus.

Ranking of Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer will be subject to the provisions of the Companies Act, the SEBI Listing Regulations, the MoA and the AoA and will rank pari passu in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company, after the date of Allotment. For more information, see "*Main Provisions of Articles of Association*" on page no. 363 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our MoA and the AoA, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable law. For more information, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" on page nos. 191 and 363 respectively of this Draft Red Herring Prospectus.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●] (a widely circulated English National Daily Newspaper), and all editions of [●] (a widely circulated Hindi National Daily Newspaper) and edition of [●] (a widely circulated Hindi daily newspaper, Hindi, being the regional language of Chandigarh, where our Registered Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Cap Price shall be at least 105% of the Floor Price. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company.

The Issue

The Offer comprises a Fresh Issue and an Offer for Sale by the Promoter Selling Shareholder.

Expenses for the Offer shall be shared amongst our Company and the Promoter Selling Shareholder in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 85**Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable 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 our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Main Provisions of Articles of Association*" beginning on page no.363 of this Draft Red Herring Prospectus.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1) Tripartite agreement dated December 24, 2020 between our Company, NSDL and the Registrar to the Offer.

2) Tripartite agreement dated September 16, 2023 between our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Further, trading of our Equity Shares shall only be in dematerialized form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page no. 341 of this Draft Red Herring Prospectus.

Joint Holders

Subject to the provisions contained in the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Nomination facility to investors

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation 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 our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

(a) to register himself or herself as the holder of the Equity Shares; or

(b) to make such transfer of the Equity Shares, as the deceased holder could have made

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our 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 Offer will be made only in dematerialized mode, there shall be no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Withdrawal of the Issue

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Fresh Issue, and the Promoter Selling Shareholder reserves the right to not proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) shall notify the Escrow Collection Banks to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Promoter Selling Shareholder, in consultation with the Book

Running Lead Manager, withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with SEBI and the Stock Exchanges.

BID/OFFER PROGRAMME

BID/ OFFER OPENS ON*	[●]
BID/ OFFER CLOSES ON**	[●]^

** Our Company and the Promoter Selling Shareholder, may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*
***Our Company and the Promoter Selling Shareholder in consultation with the BRLM may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*
^UPI mandate end time and date shall be at 5.00 PM on Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account**	On or before [●]
Credit of Equity Shares to demat account of the Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or before [●]

***In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii)any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022

The above time-table is indicative in nature and does not constitute any obligation or liability on our Company, the Promoter Selling Shareholder or BRLM. While our Company and the Promoter Selling Shareholder will use best efforts to ensure that all steps for the completion of the necessary formalities for the listing and trading of the Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company and the Promoter Selling Shareholder, due to revision

of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Promoter Selling Shareholder confirm that he will extend complete co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

SEBI is in the process of streamlining and reducing the post Offer timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in change of the above - mentioned timelines. Further, the Offer procedure is subject to change to any revised SEBI circulars to this effect.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time("**IST**")) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date of non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Bidders. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted bids to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such bids by the closing hours of the Working Day

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. 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 the SCSBs would be rejected. Our Company, Promoter Selling Shareholder and the members of Syndicate will not be responsible for any failure in (i) uploading Bids due to faults in any hardware/software system or otherwise; (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company and the Promoter Selling Shareholder, in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager and terminals of the Syndicate Members and will also intimated to SCSBs, the Registered Brokers, RTAs, CDPs and the Sponsor Bank. However, in case of revision in the Price Band, the Bid Lot shall remain the same

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the date of closure of the Issue;including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of bids or after technical rejections or any other reason; or if the listing or trading permission is not obtained from the Stock Exchange for the Equity Shares so offered under the Red Herring Prospectus and the Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and our Directors, who are officers in default, shall pay interest at the rate of fifteen per cent per annum. Subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. In the event that insufficient bids are received, after meeting the minimum subscription of 90% of the Fresh Issue, the balance allotment will be met through the Offered Shares offered by the Selling Shareholder on a *pro rata basis* to their respective shareholding.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000.

The Promoter Selling Shareholder shall reimburse any expenses and interest incurred by our Company on behalf of the Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholder.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, the minimum Promoter's contribution and the Anchor Investor lock-in in the Offer as detailed in "*Capital Structure*" on page no. 65 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association as detailed in "*Main Provisions of Articles of Association*" on page no. 363 of this Draft Red Herring Prospectus, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting

OFFER STRUCTURE

Public Offer of up to 14,000,000 Equity Shares for cash at price of ₹ [●] (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs comprising of a Fresh Issue of up to 10,500,000 Equity Shares aggregating ₹ [●] millions by our Company and an Offer of Sale of up to 3,500,000 Equity Shares aggregating up to ₹ [●] millions by the Promoter Selling Shareholder. The Offer will constitute 29.14% of the post – Offer paid-up Equity Share capital of our Company.

Further, our Company and the Promoter Selling Shareholder, in consultation with the BRLM, is considering a Pre-IPO placement of up to 1,900,000 Equity Shares for an aggregate amount to ₹ [●] million. The Pre-IPO Placement will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLM and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Offer Size constituting at least 25% of the Post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process:

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation(2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIBs Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIBs Bidders and Non- Institutional Bidders
Percentage of Offer size available for Allotment / allocation	[●]% (not more than 50%) of the Offer shall be available for allocation to QIBs. However, upto 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Category (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	[●]% (not less than 15%) of the Offer or the Offer less allocation to the QIB Bidders and Retail Individual Bidders will be available for allocation	[●]% (not less than 35%) of the Offer or the Offer less allocation to the QIB Bidders and Non Institutional Bidders will be available for allocation
Basis of Allotment if respective category is oversubscribed	Proportionate as follows: (excluding Anchor Investor Portion) a) Upto [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Upto [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate as follows: Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders One-third of the Non-Institutional Category (i.e., [●] Equity Shares) were made available for allocation to Bidders with an application size of more than ₹ 200,000 and upto ₹ 1,000,000.	Allotment to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For further details, see "Allotment Procedure and Basis of Allotment – Allotment to RIBs" in the GID

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	Upto [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only	Two-third of the Non-Institutional Category (i.e., [●] Equity Shares) were made available for allocation to Bidders with an application size of more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the aforementioned subcategories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders.	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, subject to applicable limits to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, (excluding the QIB Category) subject to applicable limits to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Retail Portion.
Trading Lot	One Equity Share.		
Who can Apply[3]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, FVCIs, VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, family offices and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	Department of Posts, India and Systemically Important NBFCs.		
Terms of Payment	**In case of all other Bidders:** Full Bid Amount was required to be blocked by the SCSBs in the bank account of the ASBA Bidders (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (only RIBs) that is specified in the ASBA Form at the time of submission of the ASBA Form **In case of Anchor Investors**: Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form[(4)]		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors)		

SEBI vide its circular no.SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, Non Institutional Bidder and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

[(1)] Our Company and the Promoter Selling Shareholder 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. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion

[(2)] Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2) (b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

[(3)] In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

[(4)] Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLM

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, 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.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories (including QIBs) or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. 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. For further details, please see "*Terms of the Offer*" beginning on page no.331 of this Draft Red Herring Prospectus

OFFER PROCEDURE

All Bidders should read the 'General Information Document for Investing in Public Offers' prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "General Information Document"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) designated date; (viii) disposal of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs 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.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), as may be prescribed by SEBI. Accordingly, the Offer has been considered to be made under UPI Phase II, till any further notice issued by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars, to the extent already in force, are deemed to form part of this Draft Red Herring Prospectus

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to the May 30, 2022 Circular, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors(all categories.

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

Further, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

Our Company, the Selling Shareholder and BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Further, the Company, the Selling Shareholder and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than [●]%(not more than 50%)of the Offer shall be allocated to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, may 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 them at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, [●]% (not less than 15%) of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and [●]%(not less than 35%)of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and the Selling Shareholder in consultation with BRLM and the Designated Stock Exchange, subject to applicable laws. 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.

Bidders should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIB Bidders bidding using the UPI Mechanism), 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 rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to compliance with applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated 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 payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was 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, an RIB had the option to submit the ASBA Form with any of the Designated 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.SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public closure to listing would continue 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. The Phase III shall commence voluntarily for all public issues opening on or after September 1, 2023, and shall be mandatory for all public issue opening on or after December 1, 2023, as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. In this phase, the time duration from public issue closure to listing is reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in in all editions of the [●] (widely circulated English National Daily Newspaper) and all editions of the [●] (widely circulated Hindi National Daily Newspaper) and the edition of [●] (widely circulated Hindi daily newspaper, Hindi being the regional language of Chandigarh, where our Registered Office is located) each with wide circulation, on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (the "UPI Streamlining Circular"); SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 2022,has prescribed that all Bidders applying in initial public offerings opening on or after May1, 2022, where the application amount is upto ₹ 0.50 million, shall use the UPI Mechanism. Bidders Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPIID in the Bid-cum-Application Form for Bidding through 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.

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All SCSBs offering facility of making application in public Offers shall also provide facility to make application using UPI. 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 using the UPI Mechanism

The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the BRLMs with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with circular no.SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 issued by SEBI using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office of our Company. An electronic copy of the Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. For Anchor Investor, 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 Offer only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIBs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form[(1)]
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
FPIs applying on a repatriation basis	Blue
Anchor Investors	White[(2)]

(1) excluding electronic Bid cum Application Form

(2) Anchor Investor Application Forms shall be made available at the offices of the Book Running Lead Manager.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded

For RIBs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate

Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker to an Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Offer. The Book Running Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in 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.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis.

Electronic registration of Bids

1. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

2. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

3. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. 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) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. 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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoters, Promoter Group, BRLM, associates and affiliates of the BRLM, the Syndicate Members, persons related to Promoters and Promoter Group

The BRLM and the Syndicate Member(s) shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Member(s) may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLM and Syndicate Member(s), shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associates of the Book Running Lead Manager can apply in the Offer under the Anchor Investor Portion

i. mutual funds sponsored by entities which are associate of the Book Running Lead Manager;

ii. insurance companies promoted by entities which are associate of the Book Running Lead Manager;

iii. AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or

iv. FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Book Running Lead Manager

Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters and members of the Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters and members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

Our Promoters and members of our Promoter Group will not participate in the Issue, except in their capacity as Selling Shareholder tendering Equity Shares in the Offer for Sale

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling shareholder in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme concerned for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by HUFs

Bids by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts or Foreign Currency Non-Resident ("FCNR") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB or should confirm/accept the

UPI Mandate Request (in case of RIBs Bidding using the UPI Mechanism) 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. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations.

NRIs applying in the Offer through the UPI Mechanism, are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Bid cum Application.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE / NRO accounts.

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).

For details of investment by NRIs, see "*Restrictions in Foreign Ownership of Indian Securities*" on page no. 361 oF this Draft Red Herring Prospectus Participation of eligible NRIs shall be subject to NDI Rules.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI 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.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

AFPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21of the SEBI FPI Regulations, an FPI, may issue, subscribe to 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client 'norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will bere-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

i. each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

ii. Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "MIM Structure") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their investible funds in one Investee Company. A category III AIF cannot invest more than 10% of their investible funds in one Investee Company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only, and net of bank charges and commission.

Our Company, the Selling Shareholder and the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder in consultation with the BRLM reserves the right to reject any Bid without assigning any reason, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies should not exceed the investment limits prescribed for them under the applicable laws

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by SCSBs

SCSBs participating in the offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholder in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and 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 by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder in consultation with the BRLM, in its 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 Selling Shareholder in consultation with the BRLM, may deem fit.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder in consultation with the Book Running Lead Manager reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

In accordance with the applicable SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below:

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion 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 exceeds ₹ 100 million. 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 ₹ 100 million;

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 / Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day;

5. Our Company and the Selling Shareholder, in consultation with the BRLM will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    a. maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

    b. minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

    c. in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. 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 / Offer Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid;

8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the

Anchor Investor Pay-in Date specified in the CAN. If the Offer 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 Offer Price;

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment;

10. Neither the (i) BRLM (s) or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLM) nor (ii) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. For further details, please see "*Participation by Promoters, Promoter Group, BRLM, associates and affiliates of the BRLM, the Syndicate Members, persons related to Promoters, Promoter Group*" on page no. 186 of this Draft Red Herring Prospectus;

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids;

For more information, see the General Information Document.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders (other than Anchor Investors)

In addition to the instructions provided to Bidders in the *General Information Document for Investing in Public Offers*, Bidders are requested to note the following additional information in relation to the Offer.

1. The Offer Period shall be for a minimum of three Working Days and shall not exceed ten Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding ten Working Days

2. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

3. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

4. In the event of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to

continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

5. In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalized.

6. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

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; All Bidders (other than Anchor Investors) should submit their bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

6. RIBs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

8. In case of joint Bids, ensure that 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;

9. Ensure that you request for and receive a stamped acknowledgement counterfoil by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

10. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be;

11. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) 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 beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. 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;

16. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

19. Bids by Eligible NRIs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Offer

20. Since the allotment will be in dematerialised form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID , PAN and UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID , PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

21. In case of ASBA Bidders (other than for Anchor Investors and RIBs bidding using the UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

22. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website;

24. 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 or the Sponsor Bank, as applicable, 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 In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

25. Retail Individual Bidders using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Bidder shall be deemed to have verified the attachment containing the application details of the Retail Individual Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount specified in the Bid cum Application Form;

26. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;

27. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account and

30. Ensure that the Demographic Details are updated, true and correct in all respects;

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 were liable to be rejected

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not submit a Bid using UPI ID, if you are not a RIB;

3. Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. 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;

10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

11. If you are a Retail Individual Bidder and are using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. If you are a Retail Individual Bidder and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;

14. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

15. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

16. Do not submit the General Index Register (GIR) number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

18. 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;

19. 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);

20. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

21. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

22. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;

23. Do not Bid on another ASBA Form after you have submitted a Bid to any of the Designated Intermediaries;

24. Do not Bid for Equity Shares in excess of what is specified for each category;

25. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

26. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

27. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date;

28. Do not Bid if you are an OCB;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

30. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
31. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism; and

32. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page no. 58 on this Draft Red Herring Prospectus

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the *"General Information Document for Investing in Public Offers – Offer Procedure in Book Built Offer – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections"* Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the ASBA Form;

3. Bids submitted on plain paper;

4. Bids submitted by Retail Individual Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI linked Mechanism submitted by Retail Individual Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 2,00,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash;

15. Bids uploaded by QIBs after 4.00 p.m. on the QIB Bid / Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges; and

16. Bids by OCB.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "General Information" on page 58 of the Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Offer

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.

2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section "General Information Document for Investing in Public Issues – Applying in the Offer – Instructions for filing the Bid cum Application Form/ Application Form" Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

2. ASBA Bids must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

3. Bids on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

Designated Date and Allotment

1. Our Company will ensure that the Allotment and credit to the successful Bidder's depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Bid/ Offer Closing Date or such other period as may be prescribed.

2. Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

3. Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making Allotment in minimum lots.
The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis subject to applicable law.

Payment into Escrow Account for Anchor Investors

Our Company and the Selling Shareholder, in consultation with the BRLM 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

a. In case of resident Anchor Investors: "[●]"

b. In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, the Exchange will, after registering the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in in all editions of the English National Daily Newspaper [●], all editions of [●] (widely circulated Hindi National Daily Newspaper) and edition of [●] (regional daily newspaper, Hindi being the regional language of Chandigarh, where our Registered Office is located) each with wide circulation. The Exchange shall, in the pre- Offer advertisement state the Bid/ Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/ Offer Closing Date if any. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholder, and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Bids for Equity Shares do not exceed the prescribed limits under applicable laws or regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

- Our Company, the Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

- After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated December 24, 2020 among NSDL, our Company and the Registrar to the Offer.

2. Agreement dated September 16, 2023 among CDSL, our Company and the Registrar to the Offer.

Interest In Case Of Delay In Allotment Or Refund

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the time prescribed under applicable law.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who:

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447"

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

1. our Company shall ensure compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

2. the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

3. that if the 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, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

4. that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;

5. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

6. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

7. that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

8. that if our Company and the Selling Shareholder, in consultation with the BRLM, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;

9. Promoter's contribution, if any, shall be brought in advance before the Bid / Offer Opening Date;

10. that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

11. that no further Offer of Equity Shares shall be made until the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc

Undertakings by Selling Shareholder

Each Selling Shareholder undertakes the following in respect of itself as a Selling Shareholder and the Offered Shares:

1. that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

2. that they are the legal and beneficial owner of and have full title to the Offered Shares

3. that they shall provide all support and cooperation as may be reasonably requested by our Company and the BRLM to the extent such support and cooperation is in relation to its Offered Shares and in relation to necessary formalities for listing and commencement of trading at the Stock Exchanges, the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Offered Shares

4. that the Selling Shareholder specifically confirms that they shall not have any recourse to the proceeds of the Issue, until final listing and trading approvals have been received from the Stock Exchanges

5. that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Issue, except as permitted under applicable law

6. that they shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Issue

7. that they will provide such assistance as may be required by our Company and BRLM acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Offer and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder; and

8. That they shall transfer the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement.

9. The Selling Shareholder has authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their Offered Shares

Utilisation of Offer proceeds

The Selling Shareholder severally and not jointly, and together with our Company confirms and declares that:

1. all monies received out of Offer of specified securities to public shall be transferred to 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 utilised out of the Offer referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and

3. details of all un-utilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Issuer indicating the form in which such un-utilised monies have been invested

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("**DPIIT**") makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy ("**FDI Policy**") from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India's current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DPIIT till October 15, 2020 stand rescinded as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. In terms of the 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 foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

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, will require prior approval of the Government, as prescribed in the FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. 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. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 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. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100%. As per the Regulations, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2020. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps. Our Company falls within the applicable statutory ceiling limits which stand at 100% for the manufacturing sector under the FDI Policy. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DPIIT / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them

SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

TABLE F

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

INDO FARM EQUIPMENT LIMITED

PRELIMINARY

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company so far as they are applicable to Public Limited Company except so far as they have implied or expressly modified by what is contained in the Articles mentioned as altered or amended from time to time.

Interpretation

(1) In these Regulations :-

(a) "Company" means “Indo Farm Equipment Limited”

(b) "Office" means the Registered Office of the Company.

(c) "Act" means the Companies Act, 2013, and any statutory modification thereof.

(d) "Seal" means the Common Seal of the Company.

(e) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whether names called.

(f) “ Public Company” means a company which-

(a) Is not a private company;
(b) Has minimum paid-up share capital, as may be prescribed:
Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

(2) Unless the context otherwise requires words or expressions contained in these Articles shall be the same meaning as in the Act, or any statutory modification thereof in force at the date at which these Articles 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 authorising the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16.(*i*) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(*ii*) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17.(*i*) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(*ii*) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

(*a*) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
(*b*) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

19.(*i*) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(*ii*) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(*a*) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(*b*) any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—

(*a*) The instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56;
(*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(*c*) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made 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.

Dematerialisation of Securities

23. (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and rematerialize its shares, debentures or other securities held in the depositories and/or offer its securities in dematerialised form.
(ii) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.

(iii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
(iv) In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.
(v) Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
(vi) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act. Provided that,

nothing contained in Article 62 shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the record of the depository.

(vii) Every member or allottee of shares(s) shall be entitled without payment to one certificate for all the shares registered in his name or if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payments of fees as the Directors may from time to time determine) to several certificates each for one or more shares. Every certificate of share shall specify the number and denote number of the shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve.

(viii) If a Share certificate is defaced, lost or destroyed it may be renewed in accordance with the share certificate Rules under the Act on payment of such fee, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Directors think fit.

(ix) The Directors may from time to time make such calls as they think fir upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the Company at the times and places specified in the notice issued by the Directors. A call may be made payable by installments.

(x) The Directors, may if they think, fit, receive from any member willing to advance the same, all or any part of the moneys unpaid in respect of the shares held by him beyond the sum actually called for ; and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon and the Directors may at any time repay the amount be advanced upon giving to such member three month's notice in writing.

(xi) Any money due from the Company to a share-holder may without the consent of such shareholder be applied by the Company in or towards payment of any money due from him to the Company for calls or otherwise.

Transmission of shares

24.(*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.

25.(*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.

26.(*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.

27. 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.

28. If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

29. 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.

30. 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.

31.(*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.

32.(*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.

33.(*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.

34. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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

35. 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.

36. Subject to the provisions of section 61, the company may, by ordinary resolution,—
(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

37. Where shares are converted into stock,—

(*a*) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as
circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(*a*) its share capital;
(*b*) any capital redemption reserve account; or
(*c*) any share premium account.

Capitalisation of profits

39.(*i*) The company in general meeting may, upon the recommendation of the Board, resolve—

(*a*) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
(*b*) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(D) 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;

*(E)*The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

40.(*i*) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(*ii*) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(*iii*) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

41. 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

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.

43.(*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

44.(*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.

45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

46. 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.

47. 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

48.(*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

49. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

50.A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

51.(*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.

52.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.

53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

54. 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.

55.(*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

56. 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.

57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

58.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

59. 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 persons hereinafter named shall be the first directors of the Company:

1. Mr. Ranbir Singh Khadwalia
2. Mrs. Sunita Saini
3. Mr. Sat Parkash Mittal

60.(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(*ii*) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
(b) in connection with the business of the company.

61. The Board may pay all expenses incurred in getting up and registering the company.

62. 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 thinks fit respecting the keeping of any such register.

63. 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.

64. 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.

65.(*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.
(iii) Subject to the provisions of Section 152 of the Companies Act, 2013, a Managing Director or Whole-time Director shall, while he continues to hold that office, be subject to retirement by rotation and shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire and he shall not cease to be a Managing Director if he retires as a Director and is re-elected as a Director in the same meeting.

66.(*i*) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(*ii*) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

67.(*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

68. 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.

69.(*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.

70.(*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.

71.(*i*) A committee may elect a Chairperson of its meetings.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

72.(*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.

73. 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.

74. 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

75. 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 thinks 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.

76. 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

77. (*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 who shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

78. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

79. 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.

80. (*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.

81. (*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.

82. 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.

83. (*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.

84. 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.

85. 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.

86. No dividend shall bear interest against the company.

Accounts

87. (*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

88. 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

89. 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.

Secrecy

90. Directors, officers etc. to maintain secrecy Every Director, Manager, Trustee for the Company, Member or Debenture holders, Member of Committee, officer, servant, agent, accountant or other person employed in or about the business of the Company shall, if so required by the Board of Directors before entering upon his duties, sign a declaration pledging all transactions of the Company with his customers and state of accounts with individuals and in matters relating thereto, and shall subject to such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board of Directors or by a Court of law and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

Restriction to enter Premises of the Company
No member or other person (not being a director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board of Directors or to require discovery of or any information respecting thereto and details of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors, will be expedient in the interest of the members of the Company to communicate.

SECTION XII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated September 25, 2023 entered into between our Company, the Selling Shareholders and the Book Running Lead Manager.

2. Memorandum of Understanding dated September 18, 2023 entered into between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Tripartite Agreement dated September 16, 2023 between CDSL, our Company and the Registrar to the Offer.

4. Tripartite Agreement dated December 24, 2020 between NSDL, our Company and the Registrar to the Offer.

5. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Refund Bank(s) and the Registrar to the Offer.

6. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Share Escrow Agent and the Book Running Lead Manager.

7. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the Book Running Lead Manager, the Syndicate Members and Registrar to the Offer.

8. Monitoring agency agreement dated [●] entered into among our Company and the Monitoring Agency.

9. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the Book Running Lead Manager and the Underwriters.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of Incorporation dated October 5, 1994, February 21, 1995, July 5, 1999, October 30, 2003, December 18, 2007 and November 4, 2009

3. Resolution of the Board of Directors dated August 25, 2023 authorising the Offer.

4. Shareholders' Resolution passed at the Extra-ordinary General Meeting of the Company held on August 31, 2023 authorising the Offer.

5. Report of our Statutory Auditor dated September 18, 2023 regarding the Restated Consolidated Financial Statement of our Company as at March 31, 2023, 2022 and 2021 included in this Draft Red Herring Prospectus.

6. Statement of Tax Benefits dated September 19, 2023 issued by our Statutory Auditor.

7. Certificate on Key Performance Indicators in respect of the Basis for Offer Price issued by Statutory Auditor dated September 19, 2023

8. Consents of our Directors, the Selling Shareholders, Chief Financial Officer, Company Secretary and Compliance Officer, BRLM, Legal Counsel to the Offer, Statutory Auditors, Registrar to the Company, Professional Engineer, Bankers to the Offer(*), Bankers to our Company, Underwriters(*) and Syndicate Members(*)as referred to in their specific capacities.
   (*) The aforesaid will be appointed prior to filing of the RHP / Prospectus with RoC and their consents as above would be obtained prior to the filing of the RHP / Prospectus with RoC.

9. Due diligence Certificate dated September 28, 2023 addressed to SEBI issued by the BRLM.

10. Resolution of the Board of Directors of our Company dated September 28, 2023, approving this Draft Red Herring Prospectus.

11. In – principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

12. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Sd/-
Ranbir Singh Khadwalia
Chairman & Managing Director

Sd/-
Anshul Khadwalia
Whole Time Director

Sd/-
Puneet Ralhan
Whole Time Director

Sd/-
Arshdeep Kaur
Independent Director

Sd/-
Babita Dosajh
Independent Director

Sd/-
Brij Kishore Mahindroo
Independent Director

Signed by the Chief Financial Officer of our Company

Sd/-
Varun Sharma
(Chief Financial Officer)

Date: September 28, 2023
Place: Chandigarh

SELLING SHAREHOLDER DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus, solely and specifically in relation to itself and its respective portion of the Equity Shares being sold in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Sd/-

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Ranbir Singh Khadwalia

Date: September 28, 2023
Place: Chandigarh