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DRAFT RED HERRING PROSPECTUS

Dated: September 30, 2023  
Please read Section 26 and 32 of the  
Companies Act, 2013  
(This Draft Red Herring Prospectus will be  
updated upon filing with the RoC)  
100% Book Built Issue



Swan Agro  
New Swan Multitech Limited  
CIN: U34100DL2014PLC265736

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
310, Vardhman Crown Mall, Plot No. 2, Sector-19, District Court Complex, Dwarka, New Delhi, South West Delhi - 110 075, India	Tanveer Kaur, Company Secretary & Compliance Officer	E-mail: <a href="mailto:cs@swanagro.in">cs@swanagro.in</a> ; Tel No: +91-161-4346000	<a href="http://www.swanagro.in">www.swanagro.in</a>

PROMOTERS OF THE COMPANY
Upkar Singh, Barunpreet Singh Ahuja & Kanwardeep Singh

DETAILS OF THE ISSUE				
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	₹ [•] Lakhs	Nil	₹ [•] Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229 AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.

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

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 72 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus.



ISSUER’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 Issue, which is material in the context of the Issue, 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.


LISTING

The Equity Shares Issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in-principle” approval letter dated [•] from BSE Limited (“BSE”) for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

BOOK RUNNING LEAD MANAGERS TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 HEM SECURITIES LIMITED	Akun Goyal	Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> Tel. No.: +91-22- 49060000
 SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED	Anand Srivastava	Tel No.: +91-120-4910000 Email: <a href="mailto:anand.srivastava@shareindia.co.in">anand.srivastava@shareindia.co.in</a>

REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 BIGSHARE SERVICES PRIVATE LIMITED	Babu Rapheal C	Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Tel No: +91-22-6263 8200

ISSUE PROGRAMME

ANCHOR INVESTOR BID/ISSUE PERIOD*: [•]	BID/ISSUE OPENS ON: [•]	BID/ISSUE CLOSES ON**: [•]
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\* Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Issue Opening Date.  
\*\* Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.



Swan Agro

New Swan Multitech Limited  
CIN: U34100DL2014PLC265736

DRAFT RED HERRING PROSPECTUS

100% Book Built Issue

Dated: September 30, 2023

Please read Section 26 and 32 of the  
Companies Act, 2013

(This Draft Red Herring Prospectus will be  
updated upon filing with the RoC)

Our Company was incorporated as “New Swan Multitech Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 03, 2014 bearing registration No. 265736 issued by Registrar of Companies, Delhi and CIN U34100DL2014PLC265736. For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 120 of this Draft Red Herring Prospectus.

**Registered Office:** 310, Vardhman Crown Mall, Plot No. 2, Sector-19, District Court Complex, Dwarka, New Delhi, South West Delhi - 110 075, India.

**Contact Person:** Tanveer Kaur, Company Secretary & Compliance Officer

**Tel No:** +91-161-4346000; **E-mail:** [cs@swanagro.in](mailto:cs@swanagro.in); **Website:** [www.swanagro.in](http://www.swanagro.in)

**Promoters of our Company:** Upkar Singh, Barunpreet Singh Ahuja & Kanwardeep Singh

DETAILS OF THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 50,16,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF NEW SWAN MULTITECH LIMITED (“OUR COMPANY” OR “NSML” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●]EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E., ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.38% AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND DELHI EDITION OF [●], A HINDI REGIONAL NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF DELHI WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE (“BSE SME”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see “*Issue Procedure*” beginning on page 213 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 72 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 22 of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this 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.

LISTING

The Equity Shares Issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in-principle” approval letter dated [●] from BSE Limited (“BSE”) for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

BOOK RUNNING LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE



**HEM SECURITIES LIMITED**  
**Address:** 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India  
**Tel. No.:** +91- 022- 49060000;  
**Fax No.:** +91- 022- 22625991  
**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)  
**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)  
**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)  
**Contact Person:** Akun Goyal  
**SEBI Registration Number.** INM000010981

**SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED**  
**Address:** A-15, Sector-64, Noida – 201301, Uttar Pradesh, India.  
**Tel No.:** +91-0120-4910000  
**Email:** [anand.srivastava@shareindia.co.in](mailto:anand.srivastava@shareindia.co.in)  
**Website:** [www.shareindia.com](http://www.shareindia.com)  
**Contact Person:** Anand Srivastava  
**SEBI Registration No.:** INM000012537

**BIGSHARE SERVICES PRIVATE LIMITED**  
**Address:** S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 MH, India.  
**Tel No.:** +91 22 6263 8200  
**Facsimile:** +91 22 6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Babu Rapheal C  
**SEBI Registration Number:** INR0000001385

ISSUE PROGRAMME

**ANCHOR INVESTOR BID/ISSUE PERIOD\*:** [●] **BID/ISSUE OPENS ON:** [●] **BID/ISSUE CLOSES ON\*\*:** [●]

*\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

*\*\* Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.*

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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 indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

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

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 78, 141 and 240 respectively, shall have the meaning ascribed to such terms in such sections.*

#### **General Terms**

<b>Terms</b>	<b>Description</b>
“NSML”, “the Company”, “our Company”, “Issuer” and “New Swan Multitech Limited”	New Swan Multitech Limited, a Company incorporated in India under the Companies Act, 1956, having its Registered office at 310, 3rd floor, Vardhman Crown Mall, Plot No. 2, Sector-19, District Court Complex Dwarka -110075, New Delhi, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries, on a consolidated basis.
“you”, “your” or “yours”	Prospective investors in this Issue

#### **Company related and Conventional terms**

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	Articles of Association of our Company, as amended, from time to time
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 123 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. M.P. Arneja & Co, (Firm Registration No. as 013432N).
Bankers to our Company	[●]
Board of Directors/ the Board/ our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b><i>Our Management</i></b> ” beginning on page 123 of this Draft Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Naveen Bhakoo
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Tanveer Kaur (M. No.: A61685)
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see “ <b><i>Our Management</i></b> ” on page 123 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE0GEN01012



Term	Description
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 123 of this Draft Red Herring Prospectus.
LLP	Limited Liability Partnership
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of New Swan Multitech Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Upkar Singh
Materiality Policy	The policy adopted by our Board on September 28, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 123 of this Draft Red Herring Prospectus
Non-Executive Director	A Director not being an Executive Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoters of our Company i.e., Upkar Singh, Barunpreet Singh Ahuja and Kanwardeep Singh. For further details, please refer to section titled <b>“Our Promoter &amp; Promoter Group”</b> beginning on page 136 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our Promoter Group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoter and Promoter Group”</b> beginning on page 136 of this Draft Red Herring Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at 310, 3rd floor, Vardhman Crown Mall, Plot No. 2, Sector-19, District Court Complex Dwarka -110075, New Delhi, India.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Consolidated Financial Information/ Statements	The Restated Consolidated Financial statements of our Company comprising of the Restated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statement of Profit & Loss for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Cash Flows Statements for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Unless specified otherwise refers to ROC New Delhi situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019, India.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled <b>“Our Management”</b> beginning on page 123 of this Draft Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Shareholders	Shareholders of our Company from time to time.
Subsidiary	The Swan Agro Rus LLC is the subsidiary of our Company as on the date of this Draft Red Herring Prospectus.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Upkar Singh, Ikpreet Kaur, Barunpreet Singh Ahuja, Kuldeep Kaur, Angad Singh, Kanwardeep Singh and New Swan Autocomp Private Limited.

## Issue Related Terms

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful bidder to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor.
ASBA Form/ Bid cum Application	An application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Managers, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the issue and which is described in the chapter titled “ <b>Issue Procedure</b> ” beginning on page 213 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor

Terms	Description
	Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Delhi edition of [●], a regional newspaper each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Delhi edition of [●], a regional newspaper each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Draft 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	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLMs/ Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being Hem Securities Limited and Share India Capital Services Private Limited, both SEBI Registered Category I Merchant Bankers.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to the Issue and the Stock Exchange.

<b>Terms</b>	<b>Description</b>
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLMs. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicant's father/husband, investor status, Occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e., <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	[●]
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e., <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Ltd. ("SME Exchange") ("BSE SME")
DP ID	Depository's Participant's Identity Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated September 30, 2023 as being filed with BSE SME
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Bidder/ Applicant/ Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that



Terms	Description
	any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers.
Issue Agreement	The Issue Agreement dated September 28, 2023 between our Company and Book Running Lead Managers, Hem Securities Limited and Share India Capital Services Private Limited.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 65 of this Draft Red Herring Prospectus
Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO	The Initial Public Issue of upto 50,16,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Managers and Market Maker, [●].
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 65 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was

Terms	Description
	eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLMs and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalize the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	The agreement dated September 27, 2023 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).

<b>Terms</b>	<b>Description</b>
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI	Securities and Exchange Board of India
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
SME Exchange	SME Platform of the BSE i.e., BSE SME.
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of BSE appointed by the BRLMs and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLMs, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	The agreement dated [●] entered into amongst our Company, the BRLMS and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●].
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLMs who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement [●] entered between the Underwriter, BRLMs and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account

Terms	Description
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### **Technical and Industry Related Terms**

Term	Description
B2B	Business to Business
B2C	Business to Customer
BRIC	Brazil, Russia, India, China, and South Africa
CMM	Capability Maturity Model
EAP	East Asia and Pacific
EBITDA	EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
EBITDA Margin	EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
ECA	Europe and Central Asia
EMDE	Emerging Market and Developing Economies
ERW	Electric Resistance Welded
FIDE	International Chess Federation
FPI	Foreign Portfolio Investment
ICAR	Indian Council of Agricultural Research
IISF	India International Science Festival
IPQC	In Process Quality Control
IPR	Intellectual Property Rights
IT	Information Technology
KVA	Kilo voltage
KWH	Kilowatt-hour
LAC	Latin America and the Caribbean
LIC	Low-income countries
LMT	Lakh Metric Tonnes



Term	Description
MN	Million
MNA/MENA	Middle East and North Africa
MoSPI	Ministry of Statistics & Programme Implementation
MT	Metric Ton
OEM	original Equipment Manufacturer
PAT	PAT is calculated as Profit before tax – Tax Expenses
PAT Margin	PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations
P & M	Plant and Machinery
QA	Quality Assurance
QC	Quality Control
R&D	Research and development
Revenue from operations	Revenue from operations is the total revenue generated by our Company from the sale of products
Return on Capital Employed	Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}
Return on Equity	Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
RM	Raw Material
SAR	South Asia
SKU's	Stock keeping unit
SSA	Sub-Saharan Africa
TAT	Turnaround Time
U.K.	United Kingdom
U.S./U.S.A.	United States of America
UNEA	United Nations Environment Programme
UPVC	Unplasticized Polyvinyl Chloride
WHO	World Health Organization

#### **Conventional terms and Abbreviations**

Abbreviation	Full Form
Rs./ Rupees/ INR/ ₹	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt.	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BRLMs	Book Running Lead Managers
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder.
CA	Chartered Accountant

Abbreviation	Full Form
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GoI/Government	Government of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family

Abbreviation	Full Form
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
KMP	Key Managerial Personnel
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited

Abbreviation	Full Form
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SICSPL	Share India Capital Services Private Limited
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF/ Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from



Abbreviation	Full Form
-, (₹)	Represent Outflow

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

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Special Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigations and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

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

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial information prepared for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 141 of this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 141 of this Draft Red Herring Prospectus. As on the date of Draft Red Herring Prospectus our company has one subsidiary Swan Agro RUS LLC. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 240 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

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

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

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Issue Price*” on page 72 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs, have independently verified such information.

## Currency of Financial Presentation

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

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management's Discussion and Analysis of Financial Conditions and Results of Operations”*** on page 22, 96 and 174 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

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

## **FORWARD LOOKING STATEMENTS**

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Disruption in our manufacturing facilities.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all Any change in government policies resulting in increases in taxes payable by us;
4. Disruption in supply of Raw Materials;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company’s ability to successfully implement its growth strategy and expansion plans;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “***Risk Factors***”, “***Our Business***” and “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” beginning on page 22, 96 and 174 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

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

## **SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS**

### **A. OVERVIEW OF BUSINESS**

Incorporated in 2014, we are an engineering-led manufacturer of (i) complex and critical precision engineered components and parts used in automotive sector (“**auto components**”) and (ii) agricultural implements designed to meet the diverse needs of modern farming. Within the automotive sector, we manufacture, procure and supply a range of precision machined tubular assemblies, welded assemblies, precision brackets and sheet metal parts. Within the agricultural implements sector, we design, manufacture and supply a comprehensive range of agricultural implements that cater to different aspects of farming such as soil preparation, sowing, crop management, harvesting and crop residue management.

### **B. OVERVIEW OF THE INDUSTRY**

#### **Auto components Sector**

India’s auto component industry is an important sector driving macroeconomic growth and employment. The auto components industry accounted for 2.3% of India’s GDP and provided direct employment to 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India’s GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026. From FY16-FY22, the industry registered a CAGR of 6.35% and was valued at US\$ 56.50 billion in FY22.

#### **Agriculture and Allied Sector**

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India’s population. The agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country’s population. At current prices, agriculture and allied sectors account for 18.3% of India’s GDP (2022-23). As First Advance Estimates of the country’s Agriculture and allied activities recorded a growth rate of 3.5-4% in FY 2021-22.

### **C. PROMOTERS**

Upkar Singh, Barunpreet Singh Ahuja & Kanwardeep Singh are the Promoters of our Company.

### **D. DETAILS OF THE ISSUE**

This is an Initial Public Issue of upto 50,16,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs (“**The Issue**”), out of which [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be reserved for subscription by the market maker to the issue (the “**Market Maker Reservation Portion**”). The Issue less Market Maker Reservation Portion i.e., Issue of [●] Equity Shares of face value of ₹ 10 each, at an issue price of ₹ [●] per Equity Share for cash, aggregating to ₹ [●] lakhs is hereinafter referred to as the “**Net Issue**”. The Public Issue and Net Issue will constitute 26.38% and [●] % respectively of the post- issue paid-up Equity Share capital of our Company.

### **E. OBJECTS OF THE ISSUE**

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (₹ in lakhs)</b>
1.	Funding of capital expenditure towards purchase of certain machineries for existing manufacturing unit located at Raian, Ludhiana	479.14
2.	Repayment of a portion of certain borrowing availed by our Company	950.00
3.	To meet working capital requirements	[●]
4.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

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

Our Promoters and Promoter Group collectively holds 1,40,00,240 Equity shares of our Company aggregating to 100.00% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Draft Red Herring Prospectus:

<b>Sr. No</b>	<b>Names</b>	<b>Pre IPO</b>		<b>Post IPO</b>	
		<b>Shares Held</b>	<b>% Shares Held</b>	<b>Shares Held</b>	<b>% Shares Held</b>
	<b>Promoters (A)</b>				
1.	Upkar Singh	1,39,99,960	99.998	1,39,99,960	[●]
2.	Kanwardeep Singh	40	Negligible	40	[●]
3.	Barunpreet Singh Ahuja	40	Negligible	40	[●]



Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Sub Total (A)</b>	<b>1,40,00,040</b>	<b>99.998</b>	<b>1,40,00,040</b>	<b>[●]</b>
	<b>Promoter Group (B)</b>				
4.	Ikpreet Kaur	80	<i>Negligible</i>	80	<b>[●]</b>
5.	Kuldeep Kaur	40	<i>Negligible</i>	40	<b>[●]</b>
6.	Manmeet Kaur	40	<i>Negligible</i>	40	<b>[●]</b>
7.	New Swan Autocomp Private Limited	40	<i>Negligible</i>	40	<b>[●]</b>
	<b>Sub Total (B)</b>	<b>200</b>	<i>Negligible</i>	<b>200</b>	<b>[●]</b>
	<b>Total (A) + (B)</b>	<b>1,40,00,240</b>	<b>100</b>	<b>1,40,00,240</b>	<b>[●]</b>

## G. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	350.01	350.01	350.01
Total Equity	2,981.75	1,989.82	1,626.68
Total Income	15,142.17	14,552.40	14,960.55
Profit after tax	991.93	363.14	342.63
Earnings per Share <i>(based on weighted average number of shares)</i>	7.09	2.59	2.45
Net Asset Value/Book Value per Equity share <i>(Based on no of share at the end of year)</i>	85.19	56.85	46.48
Net Asset Value/Book Value per Equity share <i>(Considering bonus in all previous years)</i>	21.30	14.21	11.62
Total Borrowings	3,915.70	4,800.59	4,580.55

## H. AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS

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

## I. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters and Directors are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Draft Red Herring Prospectus are as follows:

### Litigations involving the Company:

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	1	6.27
Tax proceedings:		
<b>Direct Tax</b>		
Income Tax	-	-
TDS defaults	6	5.16
<b>Indirect Tax</b>	-	-
<b>Total</b>	<b>7</b>	<b>11.43</b>

### Litigations involving our Promoter & Directors:

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Tax proceedings:		
<b>Direct Tax</b>		
Income Tax		
Upkar Singh	6	145.56
Barunpreet Singh Ahuja	1	8.38
Kanwardeep Singh	7	28.60
<b>Indirect Tax</b>	-	-
<b>Total</b>	<b>14</b>	<b>182.54</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 183 of this Draft Red Herring Prospectus.

## **J. RISK FACTORS**

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 22 of this Draft Red Herring Prospectus.

## **K. SUMMARY OF CONTINGENT LIABILITIES**

Following is the summary of the Contingent Liabilities and Commitments of the Company:

(₹ in lakhs)

Particulars	As at March 31,		
	2023	2022	2021
In Respect of EPCG Licence & Interest thereon & for Empanelment of Company in Government Departments of various states	-	7.01	45.31
In respect of Bank Guarantee given	360.28	59.57	34.00
<b>Total</b>	<b>360.28</b>	<b>66.58</b>	<b>79.31</b>

For further details, please refer to Annexure- XXXI Contingent Liabilities of the chapter titled “**Financial Information of the Company**” on page 141 of this Draft Red Herring Prospectus.

## **L. SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021:

### **(a) Names of the related party and nature of relationship where control/significant influence exists**

#### **Directors and Key management personnel (KMP) and their relatives (if any)**

Name of the related party	Nature of relationship
Directors & Key Management Personnel	
Upkar Singh	Chairman and Managing Director
Barunpreet Singh Ahuja	Whole Time Director
Kanwardeep Singh	Executive Director

#### **Entities under the control/significant influences of Directors or KMPs or their relatives:-**

New Swan Autocomp Pvt Ltd  
New Swan Components Pvt Ltd  
New Swan Technologies Ltd  
New Swan Techfab Private Limited  
Swan Innovations (partnership firm)  
New Swan Enterprises (partnership firm)

#### **Subsidiary Company:**

Swan Agro Rus LLC

### **(ii) Details of transactions with related parties and balances**

(₹ In Lakhs)

Name	Nature of transaction	31 March, 2023	31 March, 2022	31 March, 2021
Upkar Singh	Loans & Advance Received	164.97	106.00	495.00
	Loans & Advance Repaid	260.01	50.00	645.00
	Closing Balance Receivable/(Payable)	(125.00)	(220.04)	(164.04)
Barunpreet Singh Ahuja	Remuneration	39.29	23.60	23.55
New Swan Enterprises	Purchase	4582.46	3640.00	3581.95
	Sales	1151.74	916.92	1377.95
New Swan Autocomp Pvt Ltd	Purchase	51.67	222.11	455.70
	Sales	0.23	24.36	11.68
New Swan Technologies Ltd	Purchase	343.11	87.97	63.36
	Sales	0.09	-	0.60

Name	Nature of transaction	31 March, 2023	31 March, 2022	31 March, 2021
New Swan Components Pvt Ltd	Purchase	86.10	111.73	-
	Sales	0.24	-	-
New Swan Techfab Private Limited	Loans & Advance Received	-	300.00	-
	Loans & Advance Repaid	300.00	-	-
	Interest on Loan	4.33	8.69	-
	Closing Balance Receivable/(Payable)	-	(300.00)	-
New Swan Enterprises (partnership firm)	Sales	0.75	-	-
Swan Agro Rus LLC	Balance written off	-	-	17.50

For further details, please refer to the Annexure –XXXII– Related Party Disclosures of chapter titled “*Financial Information of the Company*” on page 165 of this Draft Red Herring Prospectus.

#### **M. DETAILS OF FINANCING ARRANGEMENTS**

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

#### **N. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR**

Sr. No.	Name of the Promoter	No. of Shares acquired in last one year	Weighted Average Price (in ₹)*
1.	Upkar Singh	1,04,99,970	Nil
2.	Barunpreet Singh Ahuja	30	Nil
3.	Kanwardeep Singh	30	Nil

*\*In the last one year, our Promoters have been allotted only bonus shares, on account of which acquisition prices is Nil.*

#### **O. AVERAGE COST OF ACQUISITION OF SHARES**

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

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Upkar Singh	1,39,99,960	2.50
2.	Barunpreet Singh Ahuja	40	2.50
3.	Kanwardeep Singh	40	2.50

#### **P. PRE-IPO PLACEMENT**

Our Company is not considering any Pre-IPO placement of equity shares of the Company.

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

Our Company has not issued Equity Shares for consideration other than cash in the last one year.

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

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

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

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

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

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 141, 96 and 174 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

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

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

#### **Materiality**

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

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

#### **Note:**

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

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 22 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 174 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.*

#### **INTERNAL RISK FACTORS**

- 1. We depend significantly on the performance of automotive sector (particularly two-wheelers) and agricultural sector in India for sale of our products. Any adverse change in performance of these sectors could adversely affect our business and profitability.***

We are an engineering-led manufacturer of (i) complex and critical precision engineered components and parts used in automotive sector (“**auto components**”) and (ii) agricultural implements designed to meet the diverse needs of modern farming. We depend significantly on the performance of automotive and agricultural sector in India for sale of our products. In Fiscals 2023 and 2022, our revenue from the auto components segment and agricultural implements segment accounted for 38.27% and 61.73% of our revenue from operations respectively. We are therefore exposed to fluctuations in the performance of the automotive markets (particularly two wheelers) and agricultural industry particularly in India.

In the automobiles segment, production and sales of the vehicles are affected by, among other things, a variety of factors that are beyond our control, including changes in government policies, changes in consumer demand, product mix shifts favoring other types of vehicles, fuel prices, vehicle electrification, economic conditions, demographic trends, employment and income levels and interest rates, disruptions in the automotive supply chain, vehicle age, labour relations, regulatory requirements, credit availability

and cost of credit, interest rates and general economic and industry conditions. Reduced demand in the market segments we currently supply, deterioration in the automotive market, continued uncertainty and other unexpected fluctuations or change in regulations, customs, taxes or other barriers or restrictions adversely affecting the automotive market, particularly India, could have a material adverse impact on our business, results of operations and financial condition.

Further, our agricultural implements business segment is dependent on the performance of the agricultural sector in India. The performance of the agricultural sector and consequently the demand for our agricultural implements, is dependent on climatic conditions including rains and adequacy of monsoon, adequacy of water supply, crop prices, and availability of credit to farmers which are beyond our control. Further, the demand for our agricultural implements is dependent on the cropping pattern which may vary year on year for the major crops. Any adverse cropping pattern, climatic conditions, erratic or inadequate monsoon and consequent scarcity of water or other developments affecting the performance of agricultural sector in which our products are used, may adversely affect our business, results of operations and financial condition.

***2. Our business is dependent on the sale of our products to few key customers. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We are dependent on few key customers, especially Honda Motorcycle and Scooter India (“HMSI”), in the automotive sector. For Fiscals 2023 and 2022, HMSI contributed 50.12% and 46.00% of our revenue from operations, respectively, and our top five customers contributed 71.21% and 60.59% of our revenue from sale of products, respectively. The loss of these customers or a loss of revenue from sales to these customers may materially affect our business, financial condition, results of operations and cash flows. Further, as it is common for large automotive companies or OEMs to source their required components from a relatively small number of vendors, our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. As a result, the volume of sales to our customers may vary due to changes in our customers sourcing strategies. We cannot assure you that we will be able to significantly reduce customer concentration in the future.

We do not have firm long-term purchase agreements with our key customers. We generally supply our products for particular models of vehicles and the discontinuation of, loss of business with respect to, or lack of commercial success of, those particular models of which we are a major supplier of components could reduce our sales and have a material adverse effect on our business, financial condition, results of operations and cash flows. As we are dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers, if not replaced, may have a material adverse effect on our business, results of operations and financial condition.

***3. The cyclical and seasonal nature of automotive sales and production could adversely affect our auto-components business.***

Within the automotive sector, we manufacture and supply a range of precision machined tubular assemblies, welded assemblies, precision brackets and sheet metal parts such as link assembly engine hangers, hinge body covers, front cover stay components, seat catch components, fuel filler cap components, main stand complete assemblies, front fender stay assemblies, engine guard plates, rear brake arm assemblies, separator breather, cable guide assemblies, battery tray components and many other parts, that are critical for the two-wheeler vehicles and various type of brackets such as cooling recovery reservoir brackets, exhaust tailpipe brackets, fuse block brackets, floor panel brackets, air cleaner inlet hose brackets for the passenger car vehicles.

Our operations in the auto components segment are cyclical because our sales are directly dependent on the level of automotive production (particularly two-wheelers) and is also affected by inventory levels of automotive manufacturers. The automobile industry is also subject to seasonal characteristics. Generally, demand for our products increases during the automotive industry’s festive selling season from September until January. Demand for our products generally decreases during the months of May to August each year due to the impact of scheduled customer plant shutdowns and inventory rationalization at OEMs for vacations and changeovers in production lines for new models in December. Further, automotive production and demand may be subject to seasonality in some geographies, which may influence the demand for our products. On other occasions, an increase in our customers’ production may require us to commit more resources and cause a material increase in costs, in order to meet our customers’ schedules.

We risk losing potential orders from our customers if we are unable to meet their increased demands. As a result, our relationship with our customers may be impacted and our product sales may be adversely affected and result in loss of revenue and reduced margins. Any cancellation or delay in production could have an adverse effect on our business and financial condition. Further, we cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. This may result in variability in demand for our products and, as a result, our sales and profitability.

***4. Our agricultural implements business is subject to climatic conditions and is cyclical in nature. Seasonal variations and unfavourable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition.***

Our agricultural implements business is sensitive to weather conditions such as drought, floods, cyclones and natural disasters, as well as events such as pest infestations. Our results of operations are significantly affected by weather conditions in the agricultural



regions in which our products are used particularly Maharashtra and Punjab. Adverse conditions early in the season, especially drought conditions, can result in significantly lower than normal plantings of crops and therefore lower demand for agricultural implements products. This can result in our sales in a particular region varying substantially from year to year. Weather conditions can also result in earlier or later plantings and affect the levels of pest infestations, which may affect both the timing and volume of our sales or the product mix. The increasing concern over climate change could also result in enhanced legal and regulatory requirements. In the event that such regulations are enacted and are more aggressive than the sustainability measures that we are currently undertaking, we may experience significant increases in our costs of operations.

In addition, sales of agricultural implements are typically seasonal due to the monsoon. Further, demand for agricultural implements is generally higher during the second and third Financial Year quarters and a majority of our product sales take place typically during such quarters. If seasonal demand is less than we expect, we may be left with excess inventory that will have to be stored or liquidated. The degree of seasonality in our business can change from year to year due to conditions in the agricultural industry and other factors. As a result of such seasonal fluctuations, our sales, results of operations and cash flows may vary by quarter and may not be relied upon as indicators of the sales, results of operations or cash flows of other quarters, or of our future performance.

**5. *We depend on third parties for the supply of raw materials and certain finished products and such third parties could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.***

Our essential raw material for the production Auto Component is CRC sheets 1mm to 3mm , HR sheets 2mm to 5mm, erw tubes, fastner, drawbar EN 19, drawbar MS, MS strip, rubber components, coating powder and pretreatment chemicals. Our Agricultural implements raw material included CRC sheets, HR sheets, tubes, seamless tubes, fastner, riger, springs, tines, drawbar EN 19, drawbar MS, MS strip, ERW pipe, sq pipe, forgings, casting, coating powder and pretreatment chemicals.

We also procure certain of the auto-components in the finished and unfinished form (bought out parts) from our Promoter Group entity, M/s New Swan Enterprises which includes fuel cap & bracket for seat latch, stay stopper rubber, body cover, plate engine guards, side stand and various other components/parts. For Fiscal 2023, our total purchase from New Swan Enterprises were Rs. 4539.42 lakhs which constituted 44.48% of our total purchase for the said fiscal year, which included products in finished form and unfinished form (bought out parts). In addition, the cold forged parts, black parts and metal forming components are supplied by our Group Company, New Swan Autocomp Pvt. Ltd and we procure oil seals and moulds which are used in agricultural implements from another Group Company, New Swan Technologies Limited.

Thus, we are dependent on third party suppliers particularly, M/s New Swan Enterprises, which is our Promoter Group entity, for the supply of our raw materials and certain auto-components (in finished form). We do not currently have long term contracts or exclusive supply arrangements with any of our suppliers and we purchase the raw materials or components on spot order basis. Although we have not encountered any significant disruptions in the sourcing and/or supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials or components in a cost-effective manner.

Discontinuation of production by these suppliers, a failure of these suppliers to adhere to any delivery schedule or a failure to provide materials of the requisite quality could hamper our production schedule and therefore affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices, thus affecting our margins, and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that high demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of products. If we were to experience a significant or prolonged shortage of raw materials or finished products from any of our suppliers, and we cannot procure such material from other sources, we would be unable to meet our production schedules for some of our key products and deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supplying pattern can adversely affect our business and profits.

Further, we cannot assure you that our suppliers will continue to supply the required components or raw materials to us or supply such raw materials and components at prices favourable to us, particularly at a time that we face substantial pressure from customers to reduce the prices of our products. Our need to maintain a continued supply of raw materials may make it difficult to resist price increases and surcharges imposed by our suppliers. Our inability to pass fluctuations in raw material prices on to our customers could adversely affect our profit margins and, in turn, our business, financial condition and results of operations. Even if we are able to pass on increases in raw material costs, our cash flows and results of operations may still be adversely affected because of any gap in time between the date of procurement of those raw materials and date on which we are able to reset the price of our products.

**6. *We do not have firm commitment long-term supply agreements with our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business and results of operations.***

We do not generally have firm commitment long-term supply agreements with our customers and instead rely on purchase orders issued by our customers from time to time that set out the commercial terms, delivery conditions and the indicative volumes to be procured from us. Where we have supply agreements with our customers, these agreements set forth the terms of sales but do not bind customers to any specific products, specifications, purchase volumes or duration and can be terminated by our customers with

or without cause, with little or no advance notice and without compensation. In addition, such supply agreements provide flexibility to our customers to place an order for a lesser quantity of products in the schedules given to us despite a higher quantity specified in the contract. Customers may also place an order for products with different specifications from those stated in the contract. There is no commitment on the part of the customer to continue to place orders with us. For actual supply, we rely on schedules given to us periodically by our customers. These schedules may be amended or cancelled prior to delivery, and should such amendment or cancellation take place, we may be unable to seek compensation for any surplus products that we manufacture that are unpurchased. As our customers do not typically give these schedules to us until a short time before the products are required from us, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production volume or sales.

Further, certain of our products are customised to specific customer requirements, and we incur significant costs in setting up our capabilities to manufacture these products, which may not be fully recovered from sales of products to our customers in case they reduce sourcing from us. Even though most of our equipment, machinery and production lines are fungible, there would be a time delay in redeploying the equipment, machinery and production lines for use in manufacturing different products, which could adversely affect our results of operations and cash flows.

Our customers have high standards for product quality and delivery schedules. Any failure to meet customers' expectations could result in the cancellation or non-renewal of our supply agreements with them. Also, purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected and are safe for use. Customers may set off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by undertaking more work in-house or replace their existing products with alternative products, any of which may have an adverse effect on our business and results of operations.

**7. Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices.**

Our customers particularly in the auto-components segment negotiate for larger discounts in price of our products as the volume of their orders increase. 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. Accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be materially adversely affected.

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 costs over higher sales volume. 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. Our Promoter Group Entities and Group Companies are engaged in similar line of business. There are no non – compete agreements between our Company and such Promoters Group entities and Group Companies. We cannot assure that our Promoters will not favor the interests of such Companies over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.**

Some of our Promoter Group entities and Group Companies, namely, New Swan Enterprises, New Swan Autocomp Private Limited, New Swan Components Private Limited and New Swan Technologies Limited are engaged in the auto components business, which is similar line of business as ours. We have not entered into any non-compete agreement with the any of these entities. We cannot assure that our Promoters who has common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our promoters group entities/Group Companies in circumstances where our respective interests conflict. In cases of conflict, our Promoters may favour their companies in which our Promoters has interest. There can be no assurance that our Promoters or our Group Companies or members of the Promoters Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**9. We derive a substantial portion of our revenue from the auto-components segment as compared to agricultural implements segment. Further, we have witnessed declining trend in revenue from agricultural implements segment. Our dependency on auto-components or continuous decline in revenue of agricultural implements can have a material adverse effect on our business, financial condition, results of operations and cash flows.**

We derive a substantial portion of our revenue from the auto-components segment as compared to agricultural implements segment. For Fiscal 2023, our revenue from operations were Rs. 15,116.04 Lakhs of which we derived 60.70% of revenue from auto components segment and 37.13% from agricultural implements segment. Continued market acceptance of auto-components is therefore critical to our future success. In addition, our revenue from agricultural implements has been in declining trend in last three financial years. For details, please refer to **“Product-wise revenue bifurcation – Our Business”** on page 96 of this DRHP.

Thus, our future success will also depend in part on our ability to reduce our dependence on existing auto components products and by developing and introducing new products in either or both of the segments or enhance features of existing product line in a timely manner. We may not be able to install and commission the facilities required to manufacture new products for our customers in time for the start of production, and the transitioning of our manufacturing facilities and resources to full production for new products may impact production rates or other operational efficiency measures at our facilities. There can also be no assurance that any products we introduce will achieve market acceptance. Any failure to successfully manufacture and market new products could adversely affect our business, financial condition, cash flows and results of operations.

***10. The restated consolidated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.***

The restated consolidated financial statements of our Company for the financial year ended March 31 2023, 2022 and 2021 has been provided by a peer reviewed chartered accountants who is not statutory auditor of our Company because our statutory auditor does not hold a valid peer reviewed certificate.

***11. We operate in a highly competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.***

We compete with a number of other automotive component and agricultural implements manufacturers and distributors that produce and sell products similar to ours. Some of our significant competitors in the agricultural implements segment includes Tirth Agro Technology Pvt Ltd., Maschio Gaspardo India, Dasmesh Mechanical Works Pvt. Ltd, Sonalika Agro Industries Corporation and Mahindra Farm Equipment. In the automotive component business, some of our significant competitors includes Sansera Engineering Limited, Endurance Technologies Limited and JBM Auto Limited.

A number of our competitors are larger than we are, and some competitors have greater financial and other resources than we do and other economic advantages as compared to our business, such as patents, existing underutilized capacity, lower labor costs, lower health care costs, lower tax rates and, in some cases, export or raw materials subsidies. In the auto components segment, our customers may change their outsourcing strategy due to various reasons. Among other things, our competitors may:

- have presence, or expand their presence, in higher number of geographic markets than we are present in;
- reduce, or offer discounts on, their prices for similar products as ours; while we may respond by matching their prices, by offering comparable or more attractive commercial terms or by increasing our advertising and promotions in order to retain or attract customers, it may increase our costs and limit our ability to maintain our operating margins or growth rate;
- target the same products or applications as us or develop different products that compete with our current solutions;
- attract or retain a key managerial or sales personnel with relationships with a key customer or confidential information regarding our future product pipeline and growth plans;
- be able to source raw materials at more competitive prices;
- harness better process technology or improved process yield and respond more quickly and effectively than we do to new or changing opportunities, applications, technologies, standards, or customer requirements;
- benefit from a wider range of products and services and a broader customer base needed to bring competitive solutions to the market;
- possess greater economies of scale if they are larger than us and operating efficiencies such as higher production capacities; or
- possess greater financial resources than we do, and may be able to devote greater resources to pricing and promotional programs.

If any or a combination of the foregoing factors occur, we may not be able to maintain our growth rate and our revenues and operating margins may decline. We cannot assure you that we will continue to effectively compete with our competitors in the future, and our inability to compete effectively could affect our ability to retain our existing customers or attract new customers, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

***12. We are subject to strict quality requirements and any failure by us or our suppliers to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims and other disputes and claims.***

Under the terms of our agreements or arrangements with our customers, we are subject to strict quality standards imposed by them. Failure by us or any of our suppliers to achieve or maintain compliance with these requirements or quality standards may adversely affect our ability to supply products to our customers. Our customers may reject our products, terminate their contracts with us or choose our competitors over us if we fail to perform our contractual obligations or meet the quality or performance standards set out in our agreements or arrangements with our customers, which may in-turn harm our reputation. Failure by us or any of our suppliers to comply with applicable quality standards could also result in our products failing to perform as expected, or alleged to result in property damage if our products are defective or are used incorrectly by our customers (or by their customers or end-users). The occurrence of any such events could expose us to product warranty, product recall or product liability claims.

We may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labour, material and other such costs, which may survive after termination of our agreements or arrangements with our customers. We may also become subject to legal proceedings and commercial or contractual disputes.

Potential product recalls could cause disruption to our business and result in reputational harm and the costs and expenses associated with warranties, product recalls and product liability claims could adversely affect our results of operations and financial condition. If we incur significant liabilities for which there is no or insufficient insurance coverage our business, financial condition and results of operations could be adversely affected.

**13. Our Statutory Auditor have included emphasis of matters and qualifications in their Audit Report(including CARO Report) for financial statements pertaining to F.Y. 2020-21, 2021-22 and 2022-23 and tax audit reports for F.Y. 2020-21 and 2021-22.**

Our Statutory Auditor have included emphasis of matters and certain qualifications in their Audit Report and CARO Report for financial statements pertaining to F.Y. 2020-21, 2021-22 and 2022-23. Below are the details of the same:

**Emphasis of Matter in F.Y. 2021-22 and F.Y. 2020-21**

*We draw attention to note 8 of the financial statements titled "Trade payables" which describes the Company has not received any claim for interest from any supplier under the said act and will be provided as and when payable, for which the company would be liable to make payment as per the provisions of section 15 of Micro, Small and Medium Enterprises Development Act, 2006.*

**Disclaimer of Opinion in respect of internal financial control in F.Y. 2021-22 and 2020-21:**

*According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021/March 31, 2022. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.*

**Remark on non-compliance with Cost Audit Report in F.Y. 2021-22 and F.Y. 2022-23**

*According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed during the year by cost auditor /secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.*

**Remark on non-compliance with AS-15 in F.Y. 2022-23**

*In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; except accounting for gratuity is on accrual basis, instead of actuarial valuation basis, which is not in the compliance with Accounting Standard 15 "Employee Benefits."*

**Material observations/qualifications in Tax Audit Report for F.Y. 2021-22 and 2020-21**

**Yield/percentage of wastage is not ascertainable** - As no proper records are available, it is not possible to ascertain the yield.

**Others** - We have been informed by the assessee that the information required under the clause 44 has not been maintained by it in absence of any disclosure requirement thereof under the Goods and Service Tax statute. It is not possible to determine the breakup of total expenditure of entities registered or not registered under the GST, as necessary information is not maintained by the assessee in its books of accounts. Further the standard accounting software used by the assessee is not configured to generate any report in respect of such historical data in absence of any prevailing statutory requirement regarding the requisite information in the clause 44. In view of above we are unable to verify and report the desired information under such clause

There is no assurance that our statutory audit reports or tax audit reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which affect our results of operations in such future periods. For further details, see, "Financial Information of the Company" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 141 and 174, respectively.

**14. Our Promoters and Directors, namely Upkar Singh, Barunpreet Singh Ahuja and Kanwardeep Singh were appearing in the MCA list of disqualified directors in 2011.**

Our Promoter and Directors, namely Upkar Singh, Barunpreet Singh Ahuja and Kanwardeep Singh were appearing in the MCA list of disqualified directors in 2011 due to their directorship in certain of our Promoter Group entities/Group companies, namely, New Swan Autocomp Pvt. Ltd., New Swan Components Pvt. Ltd. and New Swan Techfab Pvt. Ltd which did not file financial statements or annual returns for continuous period of three financial years. However, the same has been complied and they are not appearing in the defaulter list, based on the information available on the portal watchoutinvestors.com. In addition, as per the information

available on watchoutinvestors.com, two of our Promoter group entities namely New Swan Enterprises and New Swan Components Pvt. Ltd. has defaulted with EPFO in respect of provident fund, pension & EDLI contribution, administration charges & penal damages in June 2018, however, in October 2018, their names from EPFO defaulter list has been removed. In future, in case of any actual or alleged non-compliance with regulatory requirements, our Promoters, Directors and Promoter Group entities/Group Companies could be subject to investigations and administrative or judicial proceedings that may result in substantial penalties and/or diversion of management's attention which could negatively affect our reputation and may have a material adverse effect on our business operations.

**15. Our failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands 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.

To compete effectively in the automotive components and agricultural implements industry, we must be able to develop and produce new products to meet our customers' demand in a timely manner. As a result, we may incur capital expenditures to develop products to meet customer demands and those demands may be delayed at the customers end due to delays in product launches. Our failure to successfully develop and produce new products, or a failure by our customers to successfully launch new product programs, could materially adversely affect our results of operations.

**16. There are outstanding legal proceedings involving our Company, our Directors and our Promoters. Any adverse decisions could impact our cashflows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.**

There are outstanding legal proceedings involving our Company, our Directors and our Promoters. For details, see “*Outstanding Litigation and Material Developments*” beginning on page 183 of this Draft Red Herring Prospectus.

**Litigations involving the Company:**

(₹ in lakhs)		
Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	1	6.27
Tax proceedings:		
<b>Direct Tax</b>		
Income Tax	-	-
TDS defaults	6	5.16
<b>Indirect Tax</b>	-	-
<b>Total</b>	<b>7</b>	<b>11.43</b>

**Litigations involving our Promoter & Directors:**

(₹ in lakhs)		
Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Tax proceedings:		
<b>Direct Tax</b>		
Income Tax		
Upkar Singh	6	145.56
Barunpreet Singh Ahuja	1	8.38
Kanwardeep Singh	7	28.60
<b>Indirect Tax</b>	-	-
<b>Total</b>	<b>14</b>	<b>182.54</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 183 of this Draft Red Herring Prospectus.



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

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Except as described below and as mentioned in the chapter titled **“Government and Other Approvals”**, we believe that we have obtained requisite permits and licenses which are adequate to run our business, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

We have made an application for renewal of Consent to Operate under the Water (Prevention & Control of Pollution) Act, 1974 with Punjab Pollution Control Board for the Raian factory unit located at Ludhiana, Punjab, which is pending for approval. We are yet to apply for registration as (i) Principal employer under Contract Labour Act, 1970 and (ii) Shops and Establishment certificate for registered office at New Delhi. For details regarding pending approvals, please refer to section titled **“Government and Other Approvals”** beginning on page 186 of the Draft Red Herring Prospectus. There can be no assurance that the relevant authorities will issue or renew these approvals or licenses in a timely manner, or at all. In the event of any unanticipated delay in receipt of such approvals, the proposed capacity expansion plan may extend and any such delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

**18. Our inability to accurately forecast demand for our products, and accordingly manage our inventory, may have an adverse effect on our business, cash flows, financial condition and results of operations.**

Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations. We do not have firm commitment long term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of the sales of products. Accordingly, we plan our production volumes based on our forecast of the demand for our products. Any error in forecasting could result in surplus stock which would have an adverse effect on our profitability.

We maintain a high level of inventory of raw materials, work in progress and finished goods. As of Fiscal 2023, our inventory of raw materials, stores & spares, finished goods and other items amounted to ₹ 4678.78 lakhs. Our high level of inventory increases the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. Further, as our customers are not obliged to purchase our products or provide us with a binding long-term commitment, there can be no assurance that customer demand will match our production levels.

On the other hand, in the event that the demand we have forecasted is lower than the actual demand of our products, and we are unable to ramp up production to match such demand, we may be unable to supply the requisite quantity of products to our customers in a timely manner. Any increase in our turn-around time could affect our production schedules and disrupt our supply, which could have an adverse effect on our business, cash flows, financial condition and results of operations.

**19. We rely on outsourcing a certain proportion of our production processes and activities to third-parties, without exclusivity arrangements. Any inability to obtain sufficient quantities of processed material of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties’ operations and performance, could adversely affect our business, results of operations and financial condition.**

Currently, we outsource certain proportion of our production process relating to (i) auto components such as Zinc plating, tooling hardness (press tools), CNC wire cutting and (ii) agricultural implements such as deep draw, gear carburizing, shaft toughening to third parties job workers. We rely on these third parties to provide us with an uninterrupted supply of their services. However, we cannot assure you that they may do so in a timely manner, or if at all. These third parties may decide not to accept our future orders on the same or similar terms, or at all. We may face the risk of our competitors offering them better terms, which may cause them to cater to our competitors alongside, or even instead of us. They may discontinue their work on short notice and our production process may be stalled or hindered due to this. Conversely, due to increased customer demand for our products, we may need to obtain these services more from third parties, and any inability to do so may render us unable to execute our growth strategy.

Additionally, our job workers processing facilities may be subject to operating risks, such as performance below expected levels of efficiency, excessive wastage of raw materials, delays in production, decrease in quality of products made, labor disputes, natural

disasters, industrial accidents, interruptions in power supply and statutory and regulatory restrictions. Any noncompliance by our jobbers with the applicable laws which may result in a shutdown of their facilities, could result in the delay or non-availability of the delivery of our products. In addition, we cannot ensure that the processes done by them on products will be of satisfactory quality. Any failure to adhere with quality may damage our reputation, and adversely affect our business, results of operations and financial condition. Any defects in the products they supply could expose us to product liability or damage our reputation and reduce demand for our products. If our jobbers perform unsatisfactorily, substantially reduce their volume of supply, substantially increase their prices or terminate their business relationship with us, the cost and time required to manufacture our products would increase. We may also need to replace jobbers or take other remedial actions. Any deficiency in the quality of products that our jobbers supply to us may adversely affect our business, financial condition and results of operations.

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

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

Capacity details	2020-21	2021-22	2022-23	Existing Installed Capacity (p.a.)
Agricultural Implements (Raian unit)				
Press Shop Capacity				
Installed Capacity (in pcs)	106,142	117,936	131,040	131,040
Actual Utilization (in pcs)	87006	73955	62862	
Actual Capacity (%)	81.97%	62.71%	47.97%	
Welding Shop Capacity				
Installed Capacity (in pcs)	2,673	2,970	3,300	3,300
Actual Utilization (in pcs)	1694	1440	1224	
Actual Capacity (%)	63.37%	48.48%	37.09%	
Powder Coating Capacity				
Installed Capacity (in pcs)	10,951	12,168	13,520	13,520
Actual Utilization (in pcs)	5593	4754	4041	
Actual Capacity (%)	51.07%	39.07%	29.89%	
Total Installed Capacity (in pcs)	119,766	133,074	147,860	147,860
Total Actual Utilization (in pcs)	94,293	80,149	68,127	
Total Actual Capacity (%)	78.73%	60.23%	46.08%	
Auto components (Vithlapur unit)				
Press Shop Capacity				
Installed Capacity (in pcs)	356,760	356,760	356,760	356,760
Actual Utilization (in pcs)	124,673	131,235	164,044	
Actual Capacity (%)	34.95%	36.79%	45.98%	
Welding Shop Capacity				
Installed Capacity (in pcs)	101,530	101,530	101,530	101,530
Actual Utilization (in pcs)	23,249	24,473	30,591	
Actual Capacity (%)	22.90%	24.10%	30.13%	
Powder Coating Capacity				
Installed Capacity (in pcs)	48,580	48,580	48,580	48,580
Actual Utilization (in pcs)	14,292	15,044	18,805	
Actual Capacity (%)	29.42%	30.97%	38.71%	
Total Installed Capacity (in pcs)	506,870	506,870	506,870	506,870
Total Actual Utilization (in pcs)	162,214	170,752	213,440	
Total Actual Capacity (%)	32.00%	33.69%	42.11%	

*\*as certified by Karan Rajendra Mody on behalf of Kakode Associates Consulting Private Limited, Chartered Engineers vide certificate dated September 28, 2023.*

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

**21. *Our continued operations at our manufacturing facilities are critical to our business and any disruption, breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facility, may have a material adverse effect on our business, results of operations, financial condition and cash flows.***

We manufacture agricultural implements from our manufacturing unit located at Village Raian, Ludhiana, Punjab. The auto components are manufactured from our manufacturing unit based at Village Vithlapur, Ahmedabad, Gujarat. Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, disruption in power supply or processes, severe weather conditions, performance below expected levels of efficiency, obsolescence, labor disputes, natural disasters, industrial accidents, infectious diseases (such as COVID-19 pandemic), political instability, the need to comply with the directives of relevant government authorities and the requirement to obtain certain material approvals to operate our manufacturing facilities. We also require substantial electricity for our manufacturing facilities which is sourced from state electricity board. In case, the supply is not available for any reason, our production schedule may be hampered or if our electricity suppliers increase the price for electricity, our cost of production and profitability would be materially adversely affected. Further, natural disasters or adverse conditions may occur in the geographical areas in which we operate including severe weather, tropical storms, floods, excessive rainfalls as well as other events beyond our control. If for any reason electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. While we seek to ensure a continuous supply of our products to our customers, our customer relationships, business and financial results may be adversely affected by any disruption of operations of our product lines due to any of the factors mentioned above.

**22. *Our Subsidiary Company does not have any revenue from operations in F.Y. 2021-22 and 2022-23 and we have written off the investment made in Subsidiary on account of loss in Subsidiary Company.***

Our Wholly owned Subsidiary Company, Swan Agro Rus LLC, based in Bataisk, Russia has not earned any revenue from operations in F.Y. 2021-22 and 2022-23 and have incurred losses in past years, due to which we have written off the investment of Rs. 30.40 lakhs in F.Y. 2019-20 in the audited financial statements. In addition, Swan Agro Rus LLC is not operating any business as of now. For more information, regarding the Subsidiary Company, please refer chapter titled “*History and Corporate Structure*” beginning on page 120 of this Draft Red Herring Prospectus.

**23. *Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.***

We manufacture agricultural implements from our manufacturing unit located at Village Raian, Ludhiana, Punjab and auto components are manufactured from our manufacturing unit based at Village Vithlapur, Ahmedabad, Gujarat. Due to the geographical concentration of our manufacturing operations in Gujarat and Punjab, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

In addition, we generate major domestic sales through our customers situated in Gujarat. In Fiscal 2023, the largest share of our revenue, accounting for 54.47%, originated from Gujarat, followed by Maharashtra at 15.31%, Punjab at 12.50%, and Karnataka at 8.04%. Such geographical concentration of our business in Gujarat region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

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

**24. *We may be unsuccessful in protecting our intellectual property rights. Unauthorised use of our intellectual property may result in the development of technology, products or services which compete with our products, and may adversely impact our business prospects, reputation and goodwill.***

Our intellectual property rights are important to our business. Our portfolio of intellectual property includes patents and trademarks. We own 5 design registrations relating to our agricultural implements i.e. Mulcher, power weeder, crop planter, potato harvester

and potato planter which are registered with the Patent Office, Government of India. However, we cannot be certain that the steps we have taken will prevent unauthorized use of our intellectual property. Third parties may infringe upon or misappropriate our intellectual property. The misappropriation or duplication of our intellectual property could cause damage to our business prospects, reputation and goodwill, distract our management and employees, reduce our revenue and increase our expenses. The competitive advantage that we derive from our intellectual property may also be diminished or eliminated. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others; any such litigation could be time-consuming and costly and a favourable outcome cannot be guaranteed. Moreover, we may not be able to detect any unauthorized use or be able to take appropriate and timely steps to enforce or protect our intellectual property. For further details, see **“Business – Intellectual Property”** on page 96 of this Draft Red Herring Prospectus.

In addition, we may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.



Further, we are in use of a trademark which is owned by the Promoter group entity, M/s New Swan Enterprises. We have not entered into any assignment agreement or license agreement with it as permitted under the Trade Marks Act 1999, however, we have been permitted by the firm, to use the aforementioned trademark. While we believe that the NOC shall continue to remain in place and will be renewed from time-to-time basis, we cannot assure that the same will not be revoked in future. We may not be able to protect our rights in the said trademarks assigned to us through NOC instead of executing formal Assignment Agreement or License Agreement as it may not be acceptable in legal proceedings under the extant provisions of trade marks law. Further, in the event of non-renewal/ revocation of NOC, we may be forbidden from using this trademark and this may affect our brand image adversely.

***25. Our proposed expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns.***

We intend to use a part of the Net Proceeds towards purchase of certain machineries for expansion at our manufacturing facility at Village Raian, Ludhiana, Punjab. For further information, refer **“Objects of the Issue”** on page 65 of this DRHP. Our expansion plans remain subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect our expansion plans include increased costs of equipment, inadequate performance of the equipment and machinery to be installed at our manufacturing facility, delays in completion, 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 and other external factors which may not be within the control of our management. There can be no assurance that the proposed expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. 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.

***26. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery.***

We intend to use a part of the Net Proceeds towards purchase of certain machineries for expansion at our manufacturing facility at Village Raian, Ludhiana, Punjab. While we have obtained quotations from different vendors in relation to the major machinery and equipment required for funding such capital expenditure, we are yet to place orders for such machinery and equipment. Accordingly, orders worth ₹ 479.14 lakhs, which constitute 100% of the total estimated costs in relation to expansion of the production capacities at Village Raian, Ludhiana, Punjab are yet to be placed. There can be no assurance that we will be able to place orders for such machinery and equipment in a timely manner or at all. Further, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

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

Our success heavily depends upon the continued services of our Promoter and Key managerial personnel, particularly Mr. Upkar Singh, Mr. Kanwardeep Singh and Mr. Barunpreet Singh Ahuja. We depend significantly on them for executing our day-to-day activities. The loss of any of our Promoter or Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable

cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section **“Our Management”** on page 123 of this Draft Red Herring Prospectus.

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

Our Company’s business is working capital intensive and hence, trade receivables form a major part of our current assets. As on March 31, 2023, our trade receivables amounted to Rs. 1089.47 lakhs. We cannot assure that our Company will be able to effectively manage its trade receivables in future. Any such failure in management of trade receivables could result into bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due.

**29. Our company has not complied with certain statutory provisions of the Companies Act, 2013. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.**

Our Company has not complied with certain statutory provisions under the Companies Act 2013 which inter-alia includes non-submission of consolidated financial statements with ROC for F.Y. 2018-19 to F.Y. 2022-23. In addition, our Company has met the threshold limit for Cost Audit and Appointment of Cost Auditor under the Companies Act, 2013 in FY 2017-18, however the same has been appointed in F.Y.2022-23. Similarly, our Company was required to appoint the Independent Directors in pursuant to section 149(4) of the Companies Act, 2013 in F.Y. 2017-18, however, the same has been appointed in FY 2019-20. Further company has met the threshold limits for constitution of Audit Committee and Nomination and Remuneration Committee according to section 177 and 178 of the Companies Act, 2013 in FY 2017-18, however same has been constituted in FY 2019-20. Also, our company has made errors in complying with certain Accounting Standards in the past such as AS-15 (Employee Benefits) in respect of actuarial valuation of gratuity and AS-17 (Segment reporting) in the audited financial statements, however the same have been duly complied by us in the restated financial statements.

**30. We have in the past entered into related party transactions and may continue to do so in the future.**

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, sales, purchase, interest payments, remuneration, loans and advances, reimbursements etc. For details, please refer to **Annexure XXXII - Related Party Transactions** under Section titled **“Financial Information of the Company”** and Chapter titled **“Capital Structure”** beginning on page 165 and 55 respectively of this Draft Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**31. Our Company had negative operating cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of operating cash flows is summarized in below mentioned table and our Company has reported negative operating cash flow in F.Y. 2020-21. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

(₹ in lakhs)			
Particulars	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2020-21
Net Cash flow from Operating Activities	711.32	1,433.98	-495.13

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

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

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

to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. Our failure to manage our anticipated growth effectively could reduce our ability to execute our business strategies, recruit and retain personnel, innovate, and manage costs all of which could adversely affect our business, results of operations, cash flows and financial condition. In addition, the availability of funds plays a crucial role for growth and expansion of the business. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

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

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

**34. *Adverse publicity regarding our products could negatively impact us.***

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

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

We present our financial statements in Indian Rupees. We export our agricultural implements to countries like Mauritius, Russia, Kazakhstan, South Africa, Sudan and Nepal. In fiscal 2023 and 2022, we derived 2.08% and 1.39% of our revenue from exports. Although we generally seek to pass exchange rate fluctuations to our customers through increases in our prices, there can be no assurance that we will be able to do so immediately or fully, which could adversely affect our business, financial condition, results of operations and cash flows. Thus, our global operations exposes us to foreign exchange rate risks, arising primarily from our receivables. There can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally.

**36. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company in consultation with the Book Running Lead Managers. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters "**Risk Factors - Prominent Notes**" and "**Capital Structure**" beginning on pages 22 and 55 respectively of this DRHP.

**37. *We do not own the registered office of our Company. In case of non-renewal of lease agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***

As on date of this DRHP, we do not own the registered office of our Company, which is obtained by us on rental basis. In the event of termination/non-renewal of said agreement, we may be required to vacate the said registered office which may cause disruption in our corporate affairs and business which could lead temporarily impact our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled "**Our Business-Properties**" beginning on page 96 of this Draft Red Herring Prospectus. There can be no assurance that we will, in the future, be able to retain or/and renew the agreements for the existing location on same or similar terms, or will be able to find alternate locations for the registered office on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates



for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of operations.

**38. *We have not received NOC from two of our lenders for undertaking the initial public offer of equity shares.***

As on the date of this Draft Red Herring Prospectus, we have not received the NOC for the Proposed Offer from our lenders, namely HDFC Bank and Axis Bank. However, our Company intends to obtain the necessary NOC in relation to the proposed Offer from such lenders prior to the filing of the Prospectus with the RoC, undertaking the proposed Offer without obtaining such lenders NOC, and it may constitute a default under such loan agreement, which could impact our loan facilities and may have an effect on our financial condition and results of operations.

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

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

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

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

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

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

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, Business Suraksha Classic- Laghu Udyam Insurance policy for our Raian factory and Business shield SME policy for Vithlapur unit, electronic equipment insurance for Raian unit, Marine Cargo Open Policy, Vehicle Insurance Policies and Group Medical Insurance Policy & Health Insurance for our employees and workers. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as burglary insurance, cash in transit, goods in transit, electronic equipment insurance for Vithlapur unit and product liability insurance. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**42. *Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories

and trade receivables. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials. For further details regarding working capital requirement, please refer to the section **“Objects of the Issue”** on page 65 of this Draft Red Herring Prospectus.

**43. Our Contingent Liability and Commitments could affect our financial position.**

As on 31<sup>st</sup> March, 2023, we had Contingent Liability of ₹ 360.28 lakhs in respect of bank guarantee, which have not been provided in our financial statements and which could affect our financial position. For further details, please refer to Annexure XXXI – Contingent Liabilities in the chapter titled **“Financial Information of the Company”** on page 141 of this Draft Red Herring Prospectus.

**44. Some of the documents pertaining to certain litigations are not traceable.**

Our Company is not in possession of some of the documents pertaining to certain litigations described in the chapter titled **“Outstanding Litigation and Material Developments”** beginning on page 183. Accordingly, reliance has been placed upon relevant connected documents to describe the facts of litigation in the aforesaid chapter. Therefore, we cannot assure you that all information pertaining to the said cases are accurate. In case, any documents pertaining to such litigations are traced by the Company, after the filing of Draft Red Herring Prospectus, the same will be incorporated in the Prospectus to be filed with ROC.

**45. The Promoters (including Promoter Group) and Directors hold almost 100% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.**

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled **“Our Business”**, **“Our Promoter and Promoter Group”** and **“Note 47 - Related Party Transactions”**, beginning on pages 96, 136 and 165 respectively of this Draft Red Herring Prospectus.

**46. We have incurred significant indebtedness which exposes us to various risks which may have an adverse-affect on our business and results of operations**

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2023, our total outstanding indebtedness was ₹ 3915.70 lakhs.

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

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

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

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

Our Promoter & Directors, Upkar Singh, Barunpreet Singh Ahuja and Kanwardeep Singh and promoter group entities namely, New Swan Technologies Limited and New Swan Auto Comp Pvt Ltd has provided corporate/personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal/corporate guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse affect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources

of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer ***“Statement of Financial Indebtedness”*** on page 170 of this Draft Red Herring Prospectus.

***48. Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect our cash flows.***

Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of March 31, 2023, such loans amounted to ₹ 219.01 lakhs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled ***“Statement of Financial Indebtedness”*** on page 170 of this Draft Red Herring Prospectus.

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

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

***50. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

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

The proposed fund requirement for repayment of loans, working capital and purchase of certain machineries, as detailed in the section titled ***“Objects of the Issue”*** is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled ***“Objects of the Issue”*** beginning on page 65 of this Draft Red Herring Prospectus.

***52. We may not be able to sustain effective implementation of our business and growth strategy.***

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse affect on our business, financial condition and results of operations.

***53. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see ***“Statement of Financial Indebtedness”*** on page 170 of the Draft Red Herring Prospectus.

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

We specialize in the manufacture and supply of auto-components and agricultural implements which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. Any demand or penalty raised by the concerned authority in future for any previous years or

current year will affect the financial position of the Company.

**55. *The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue”. The fund requirement and deployment, as mentioned in the “*Objects of the Issue*” on page 65 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**56. *Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.***

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus. For further information, see the section titled “*Our Business*” on page 96 of this Draft Red Herring Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 140 of the Draft Red Herring Prospectus.

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

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “*Basis for Issue Price*” beginning on page 72 of the Draft Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

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

Our promoter along with the promoter group will continue to hold collectively 73.62% of the Equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the affect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to

take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

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

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

***62. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Draft Red Herring Prospectus.***

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled ***"Industry Overview"*** beginning on page 80 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

***63. Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.***

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

**EXTERNAL RISK FACTORS**

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

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

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter ***"Government and Other Approvals"*** on page 186 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous

requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse affect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

***66. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse affects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion affect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse affect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

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

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

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

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

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

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

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

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

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in



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

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

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an Offer of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The Offer price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Offer. For further information please refer the section titled "***Basis for Issue Price***" beginning on page 72 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1) (2)</sup></b>	Issue of upto 50,16,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	[●] Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	[●] Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Out of which</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs.
i) Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Out of which</b>	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,40,00,240 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue</b>	Upto 1,90,16,240 Equity Shares of face value ₹ 10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 72 of this Draft Red Herring Prospectus.

<sup>(1)</sup> Public issue upto 50,16,000 Equity Shares face value of ₹ 10.00 each for cash at a price of ₹ [●] per Equity Share of our Company aggregating to ₹ [●] Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “*Issue Structure*” beginning on page 210 of this Draft Red Herring Prospectus.

Notes:

- The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 25, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on September 26, 2023.
- The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e., not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.
- Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall

be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “**Issue Procedure**” beginning on page 213 of this Draft Red Herring Prospectus.

# SUMMARY OF OUR FINANCIALS

## ANNEXURE – I CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended March 31,		
		2023	2022	2021
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholder's Funds</b>			
(a)	Share Capital	350.01	350.01	350.01
(b)	Reserves and Surplus	2,631.74	1,639.81	1,276.67
(2)	<b>Share Application Money Pending Allotment</b>	-	-	-
(3)	<b>Non-Current Liabilities</b>			
(a)	Long-Term Borrowings	2,269.29	2,703.06	2,111.77
(b)	Deferred Tax Liability (Net)	407.47	366.04	327.29
(c)	Long term provision	56.40	52.02	50.41
(d)	Other long-term Liabilities	-	-	-
(4)	<b>Current Liabilities</b>			
(a)	Short Term Borrowing	1,646.41	2,097.53	2,468.78
(b)	Trade Payables	4,187.01	4,381.93	4,617.84
(c)	Other Current Liabilities	1,011.42	549.79	439.99
(d)	Short-Term Provisions	316.68	208.61	126.92
	<b>Total</b>	<b>12,876.43</b>	<b>12,348.80</b>	<b>11,769.68</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
(a)	Property, Plant & Equipment's			
	- Tangible Assets	5,358.23	5,079.96	4,991.29
	- Intangible Assets	20.44	35.15	49.75
	- Capital Work In Progress	55.64	38.26	19.57
(b)	Non-Current Investment	0.00	0.00	0.00
(c)	Deferred Tax Assets (net)	-	-	-
(d)	Long-term loans and advances	114.85	109.85	114.39
(e)	Other non-current assets	141.30	95.52	45.31
(2)	<b>Current Assets</b>			
(a)	Inventories	4,678.78	3,005.31	3,811.46
(b)	Trade receivables	1,089.47	1,233.52	714.76
(c)	Cash and Cash Equivalents	230.69	215.67	273.05
(d)	Short-Term Loans And Advances	945.42	2,150.32	1,234.69
(e)	Other Current Assets	241.62	385.23	515.41
	<b>Total</b>	<b>12,876.43</b>	<b>12,348.80</b>	<b>11,769.68</b>

**ANNEXURE – II**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS RESTATED**

(₹ in Lakhs)

Sr. No.	Particular	For the year ended March 31,		
		2023	2022	2021
<b>A</b>	<b>Revenue:</b>			
	Revenue From Operations	15,116.04	14,546.71	14,947.45
	Other Income	26.13	5.69	13.11
	<b>Total Revenue</b>	<b>15,142.17</b>	<b>14,552.40</b>	<b>14,960.55</b>
	Expenses:			
<b>B</b>	<b>Cost of Material Consumed</b>	<b>9,985.29</b>	<b>9,545.11</b>	<b>9,677.88</b>
	Changes in inventories of finished goods	(710.02)	312.29	334.37
	Employee benefit expenses	1,960.45	1,894.14	2,074.98
	Financial Cost	355.80	375.67	307.60
	Depreciation and amortization expenses	333.90	296.61	294.84
	Others Expenses	1,842.58	1,621.09	1,783.11
	<b>Total Expenses</b>	<b>13,768.01</b>	<b>14,044.91</b>	<b>14,472.78</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>	<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
	Less: Exceptional Items	-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>	<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
	Prior Period Items	-	-	-
	Extra ordinary items	-	-	-
<b>D</b>	<b>Profit before tax</b>	<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
	Tax expense:			
	Current tax	340.80	105.60	112.47
	Deferred Tax	41.43	38.76	32.67
	<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>991.93</b>	<b>363.14</b>	<b>342.63</b>
<b>E</b>	<b>No. of Shares</b>	<b>35,00,060</b>	<b>35,00,060</b>	<b>35,00,060</b>
<b>F</b>	<b>Earning per Equity Share: Basic/Diluted</b>			
	(1) Basic	7.09	2.59	2.45
	(2) Diluted	7.09	2.59	2.45

**ANNEXURE III**  
**CONSOLIDATED CASH FLOW STATEMENT AS RESTATED**

(₹ in Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
<b>Cash Flow From Operating Activities:</b>			
Net Profit before tax as per Profit And Loss A/c	1,374.16	507.49	487.77
Adjustments for:			
Depreciation & Amortisation Expense	333.90	296.61	294.84
Interest Income	6.81	2.07	0.15
Finance Cost	340.42	350.85	292.06
Loss on Sale of fixed assets	7.86	9.38	-
Previous years Adjustments	-	-	(101.35)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,063.15</b>	<b>1,166.42</b>	<b>973.46</b>
Adjusted for (Increase)/ Decrease in:			
Short term provision	(1.34)	(1.27)	6.10
Trade Receivables	144.05	(518.76)	(362.22)
Inventories	(1,673.47)	806.15	-289.22
Other current assets	181.11	156.59	193.35
Trade Payables	(194.92)	(235.91)	44.62
Other Current Liabilities	461.63	109.80	(960.91)
<b>Cash Generated From Operations</b>	<b>(1,082.94)</b>	<b>316.60</b>	<b>(1,368.29)</b>
Appropriation of Profit			
Net Income Tax paid/ refunded	268.89	49.04	100.31
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>711.32</b>	<b>1,433.98</b>	<b>(495.13)</b>
<b>Cash Flow From Investing Activities:</b>			
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(622.68)	(398.77)	(392.16)
Interest Income	(6.81)	(2.07)	(0.15)
Net Increase/(Decrease) in long term loans and Advances	(5.00)	4.54	276.26
Net Increase/(Decrease) in Current Investment	-	-	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(634.50)</b>	<b>(396.30)</b>	<b>(116.05)</b>
<b>Cash Flow from Financing Activities:</b>			
Net Increase/(Decrease) in Long Term Borrowings	(433.77)	591.28	45.55
Net Increase/(Decrease) in Long Term Provisions	4.39	1.60	50.41
Net Increase/(Decrease) in Other Long Term Liabilities	-	-	-
Net Increase/(Decrease) in Short Term Borrowing	(451.13)	(371.24)	1,760.88
Net (Increase)/Decrease in Short Term Advance	1,204.89	(915.62)	(924.26)
Net (Increase)/Decrease in Other non-current assets	(45.78)	(50.21)	(13.35)
Interest on borrowings	(340.42)	(350.85)	(292.06)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>(61.80)</b>	<b>(1,095.05)</b>	<b>627.17</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>15.02</b>	<b>(57.37)</b>	<b>15.99</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>215.67</b>	<b>273.05</b>	<b>257.06</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>230.69</b>	<b>215.67</b>	<b>273.05</b>

**Notes:**

1.		<b>31-03-23</b>	<b>31-03-22</b>	<b>31-03-21</b>
	Component of Cash and Cash equivalents			
	Cash on hand	5.31	12.09	38.15
	Balance With banks	67.01	197.56	0.09
	Other Bank Balance	-	-	-
	<b>Total</b>	<b>72.32</b>	<b>209.65</b>	<b>38.24</b>
2.	Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.			



## GENERAL INFORMATION

### **Brief Summary:**

Our Company was incorporated as a limited Company under the name of “New Swan Multitech Limited” on March 03, 2014 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana, bearing registration number as 265736. The Corporate identification number of our Company is U34100DL2014PLC265736. For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 120 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	310, Vardhman Crown Mall, Plot No. 2, Sector-19, District Court Complex, Dwarka, New Delhi– 110 075, India <b>Email:</b> <a href="mailto:cs@newswan.in">cs@newswan.in</a> <b>Website:</b> <a href="http://www.swanagro.in">www.swanagro.in</a> <b>CIN:</b> U34100DL2014PLC265736 <b>Registration Number:</b> 265736
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### **Address of the RoC:**

#### **Registrar of Companies, Delhi**

4<sup>th</sup> Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi – 110 019  
**Phone:** 011-26235703  
**Email:** [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)  
**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### **Board of Directors:**

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

<b>Name of Director</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Upkar Singh	Chairman & Managing Director	House No. 327 L Model Town, Ludhiana-141002, Punjab India	01588157
Barunpreet Singh Ahuja	Whole Time Director	House No, 327-L, Model Town, Ludhiana-141002, Punjab India	03408885
Kanwardeep Singh	Executive Director	House No.- 66, Block-B B.R.S. Nagar, Rajguru Nagar, Ludhiana-141012, Punjab India	01588162
Manmeet Kaur	Non-Executive Director	House No. 327 L, Model Town, Ludhiana-141002, Punjab, India	10333353
Ajay Kumar	Independent Director	3 Ground Floor, E Block, Rishi Nagar, Gitanjali Apartments, Bharat Nagar Chowk-141001, Punjab, India	07530257
Gaurav Maheshwari	Independent Director	Toshniwal Bhawan, Bagru, Near Jain Temple, Bagru Rawan, Jaipur 303007 Rajasthan, India.	10252288

For further details in relation to our directors, please refer to chapter titled “*Our Management*” on page 123 of this Draft Red Herring Prospectus.

<b>Chief Financial Officer</b>	<b>Company Secretary and Compliance Officer</b>
<b>Naveen Bhakoo</b> <b>New Swan Multitech Limited</b> <b>Address:</b> Kohara Machiwara Road, Village Raian, Ludhiana, Punjab <b>Tel. No.:</b> +91-161-4346000 <b>Email:</b> <a href="mailto:ac-nsmml@newswan.in">ac-nsmml@newswan.in</a>	<b>Tanveer Kaur</b> <b>New Swan Multitech Limited</b> <b>Address:</b> Kohara Machiwara Road, Village Raian, Ludhiana, Punjab <b>Tel. No.:</b> +91-161-4346000 <b>Email:</b> <a href="mailto:cs@newswan.in">cs@newswan.in</a>

### **Investor Grievances:**

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable),

address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

Book Running Lead Managers of the Issue	
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India <b>Tel No.:</b> +91-22-4906 0000 <b>Fax No.:</b> +91-22-22625991 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Akun Goyal <b>SEBI Reg. No.:</b> INM000010981	<b>Share India Capital Services Private Limited</b> <b>Address:</b> A-15, Sector-64, Noida – 201301, Uttar Pradesh, India <b>Tel:</b> +91 0120-4910000 <b>Email:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a> <b>Investor Grievance ID:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a> <b>Website:</b> <a href="http://www.shareindia.com">www.shareindia.com</a> <b>SEBI Registration:</b> INM000012537 <b>CIN:</b> U65923UP2016PTC075987 <b>Contact Person:</b> Anand Srivastava
Legal Advisor to the Issue	Registrar to the Issue
<b>J Mukherjee &amp; Associates</b> <b>Address:</b> D-1, MMS Chambers, 1st Floor, 4A Council House Street, Kolkata-700001, West Bengal, India <b>Tel No.:</b> +91 9830-640366 <b>Email ID:</b> <a href="mailto:jmukherjeeandassociates@gmail.com">jmukherjeeandassociates@gmail.com</a> <b>Contact Person:</b> Jayabrata Mukherjee	<b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park Next to Ahura Centre, Mahakali Caves Road Andheri (East), Mumbai 400093 Maharashtra, India. <b>Telephone:</b> +91-022-6263 8200 <b>Fax No.:</b> +91-022-6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Babu Rapheal C <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>SEBI Registration Number:</b> INR000001385 <b>CIN:</b> U99999MH1994PTC076534
Statutory Auditor	Peer Review Auditor
<b>M.P. Arneja &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> 11-AX, Model Town Extension, Ludhiana – 141 002, Punjab, India <b>Tel No.:</b> +91-161-4614686 ; +91 98729 82686 <b>Email:</b> <a href="mailto:camparneja@gmail.com">camparneja@gmail.com</a> <b>Firm Registration No.:</b> 013432N <b>Contact Person:</b> Mohinder Pal Singh	<b>A D V &amp; Associates</b> <b>Chartered Accountants,</b> <b>Address:</b> B-601, Raylon Arcade, R K Mandir Road, Kondivita, Andheri (East), Mumbai- 400 059 <b>Phone:</b> +91-90290 59911 <b>Email:</b> <a href="mailto:advassociates@gmail.com">advassociates@gmail.com</a> <b>Firm Registration No.:</b> 128045W <b>Membership No:</b> 162441 <b>Peer Review Certificate Number:</b> 013993 <b>Contact Person:</b> Ankit Rathi
Bankers to the Company*	Bankers to the Issue/ Refund Banker/ Sponsor Bank*
[●]	[●]
Syndicate Member*	
[●]	

\*The Bankers to the Company, Bankers to the Issue/ Refund Banker/ Sponsor Bank and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

#### Designated Intermediaries:

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

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34;>  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

### **Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI**

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

### **Syndicate SCSB Branches**

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

### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

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

### **Collecting Depository Participants**

The list of the Collecting Depository Participants (CDPs) eligible to accept Bid-cum-Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Brokers to the Issue**

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

### **Expert Opinion**

Our Company has received written consent dated September 28, 2023 from Peer Review Auditor namely, M/s. A D V & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in respect of its (i) examination report dated September 28, 2023 on our restated consolidated financial information; and (ii) its report dated September 28, 2023 on the statement of Special Tax Benefits in this DRHP. Aforementioned consents have not been withdrawn as on the date of this DRHP.

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

The responsibilities and coordination by the Book Running Lead Managers for various activities in the Issue are as follow:

<b>Sr. No.</b>	<b>Activity</b>	<b>Responsibility</b>	<b>Co-ordinator</b>
1	Due diligence of the Company including its operations/ management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	Hem Securities Ltd	Hem Securities Ltd.
2	Capital structuring with the relative components and formalities such as type of instruments, size of issue,	Hem Securities Ltd	Hem Securities Ltd

Sr. No.	Activity	Responsibility	Co-ordinator
	allocation between primary and secondary, etc.		
3	Drafting and approval of all statutory advertisement.	Hem Securities Ltd	Hem Securities Ltd
4	Appointment of intermediaries - Registrar to the Issue, advertising agency, Banker(s) to the Issue, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries.	Hem Securities Ltd	Hem Securities Ltd
5	Preparation of road show presentation and frequently asked questions.	Hem Securities Ltd & Share India Capital Services Private Limited	Hem Securities Ltd & Share India Capital Services Private Limited
6	Institutional, Non-Institutional and Retail Marketing of the Issue.	Hem Securities Ltd & Share India Capital Services Private Limited	Hem Securities Ltd & Share India Capital Services Private Limited
7	Coordination with Stock Exchanges for bidding terminals, mock trading, payment of 1% security deposit.	Hem Securities Ltd	Hem Securities Ltd.
8	Finalization of pricing in consultation with the Company.	Hem Securities Ltd & Share India Capital Services Private Limited.	Hem Securities Ltd & Share India Capital Services Private Limited.
9	Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Issue, intimation of allocation and dispatch of refund to Bidders, etc.  Coordinating with Stock Exchanges and SEBI for submission of all post-Issue reports including the final post-Issue report to SEBI, release of 1% security deposit post closure of the Issue	Hem Securities Ltd	Hem Securities Ltd

### Appraisal and Monitoring Agency

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakhs. Since the Issue size is below ₹ 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### Credit Rating

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

### IPO Grading

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

### Debenture Trustees

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

### Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the Designated Stock Exchange/ SEBI/ ROC

The Draft Red Herring Prospectus is being filed with BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India.

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

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

## Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Managers in accordance with the Book Building Process, and advertised in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Delhi edition of [●], a regional newspaper each with wide circulation where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Managers in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Managers in this case being Hem Securities Limited and Share India Capital Services Private Limited
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE Ltd. and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Managers;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

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

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

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

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “**Issue Procedure**” beginning on page 213 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 213 of this Draft Red Herring Prospectus.

## Illustration of the Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “*Issue Procedure*” on page 213 of this Draft Red Herring Prospectus.

### Bid/ Issue Program:

Event	Indicative Dates
Bid/ Issue Opening Date	[●] <sup>1</sup>
Bid/ Issue Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

*<sup>2</sup>Our Company in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Managers. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

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

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

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

### Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserve the right to not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

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



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

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

### Underwriting

The Company and the Book Running Lead Managers to the Issue hereby confirm that the Issue will be [●] Underwritten by the underwriter [●] in the capacity of Underwriter to the issue.

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

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
[●]	[●]	[●]	[●]

*\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, [●] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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

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

There has been no change in our Company's auditors in the last three (3) years.

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

Our Company and the BRLM has entered into Market Making Agreement dated [●] with the following Market Maker, for fulfilling the Market Making obligations under this Issue:

<b>Name</b>	[●]
<b>Correspondence Address</b>	
<b>Tel No.</b>	
<b>E-mail</b>	
<b>Website</b>	
<b>Contact Person</b>	
<b>SEBI Registration No.</b>	
<b>Market Maker Registration No.</b>	

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

- The Market Maker(s) in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
- There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLMs to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLMs reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** Stock Exchange will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** SBE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

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

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

## CAPITAL STRUCTURE

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

(₹ in Lakhs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 2,00,00,000 Equity Shares having Face Value of ₹ 10/- each	2,000.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,40,00,240 Equity Shares having Face Value of ₹10/- each	1,400.02	-
C	<b>Present Issue in terms of this Draft Red Herring Prospectus*</b> Upto 50,16,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share	501.60	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> [●] Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue</b>		
	[●] Equity Shares of face value of ₹10/- each		[●]
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Red Herring Prospectus)		Nil
	After the Issue		[●]

\*The Present Issue of upto 50,16,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 25, 2023 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on September 26, 2023.

### Classes of Shares:

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹ 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE:

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

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	20,00,000	10/-	200.00	On Incorporation	N.A.
2.	Increase in Authorized Share Capital from ₹200 Lakh to ₹500.00 Lakhs	50,00,000	10/-	500.00	May 01, 2015	EGM
3.	Increase in Authorized Share Capital from ₹500.00 Lakhs to ₹2,000.00 Lakhs	2,00,00,000	10/-	2000.00	July 15, 2023	EGM

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

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

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares
Upon Incorporation	50,060	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	50,060
May 26, 2015	30,00,000	10/-	10/-	Cash	Right Issue <sup>(ii)</sup>	30,50,060
July 01, 2015	4,50,000	10/-	10/-	Cash	Right Issue <sup>(iii)</sup>	35,00,060

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares
July 29, 2023	1,05,00,180	10/-	Nil	Nil	Bonus issue in the Ratio of 3:1 <sup>(iv)</sup>	1,40,00,240

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

- (i) Initial Subscribers to the Memorandum of Association subscribed 50,060 Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Upkar Singh	50,000
2.	Ikpreet Kaur	10
3.	Barunpreet Singh Ahuja	10
4.	Kuldeep Kaur	10
5.	Angad Singh	10
6.	Kanwardeep Singh	10
7.	New Swan Autocomp Private Limited	10
	<b>Total</b>	<b>50,060</b>

- (ii) Allotment of 30,00,000 Equity Shares of Face Value of ₹ 10/- each on Right Issue basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Upkar Singh	30,00,000
	<b>Total</b>	<b>30,00,000</b>

- (iii) Allotment of 4,50,000 Equity Shares of Face Value of ₹ 10/- each on Right Issue basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Upkar Singh	4,50,000
	<b>Total</b>	<b>4,50,000</b>

- (iv) Bonus issue of 1,05,00,180 Equity Shares of Face Value of ₹ 10/- each in the ratio of 3:1 i.e. Three (3) Bonus Equity Share for every One (1) Equity Shares held by shareholders. (refer point no. 4 below for allottees list):

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

3. Except as mentioned in point number 4 below, the Company has not issued any Equity Share in the last two years preceding the date of the Draft Red Herring Prospectus.
4. Issue of Equity Shares for consideration other than cash:

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

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
July 29, 2023	1,05,00,180	10.00	Nil	Bonus Issue in the ratio of 3:1	Capitalization of Reserves & Surplus	Upkar Singh	1,04,99,970
						Kuldeep Kaur	30
						Ikpreet Kaur	60
						Barunpreet Singh Ahuja	30
						Kanwardeep Singh	30
						Manmeet Kaur	30
						New Swan Autocomp Private Limited	30
						<b>TOTAL</b>	<b>1,05,00,180</b>

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for bonus issue made on July 29, 2023, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus.

8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. **Shareholding Pattern of the Company**

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

# **I - Our Shareholding Pattern:**

Category y	Category of sharehol der	Nos. of share holde rs	No. of fully paid up equity shares held	No. of Part ly paid -up equi ty shar es Held	No. of shares underly ing Deposit ory Receipt s	Total nos. shares held	Sharehold ing as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underly ing Outstandi ng convertib le	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbere d		Number of equity shares held in demateri alized form
								No of Voting Rights			Tota l as a % of (A+ B+ C)			No. (a)	As a % of total Share s held (b)	No. (a)	As a % of total Share s held (b)	
								Class Equity Shares of ₹10/- each^	Cl as s eg : y	Tot al								
I	II	III	IV	V	VI	VII = IV+V+ VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters & Promoter Group	7	14000240	-	-	14000240	100	14000240	-	14000240	100	-	100	-	-	-	14000240	
(B)	Public																	
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	14000240	-	-	14000240	100.00	14000240	-	14000240	100.00	-	100.00	-	-	-	14000240	

The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

## **Notes:**

- We have entered into tripartite agreement dated January 20, 2021 with CDSL with our prior Registrar i.e. CDSL Ventures Limited, and all the shares are in dematerialized form. Now, we have changed our Registrar to Bigshare Services Private Limited, and now are in process to re-enter into tripartite agreement with CDSL & fresh tripartite agreement with NSDL.
- As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.

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

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Upkar Singh	1,39,99,960	100%
	<b>Total</b>	<b>1,39,99,960</b>	<b>100%</b>

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Upkar Singh	1,39,99,960	100%
	<b>Total</b>	<b>1,39,99,960</b>	<b>100%</b>

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Upkar Singh	35,00,000	100%
	<b>Total</b>	<b>35,00,000</b>	<b>100%</b>

\*Details of shares held on September 30, 2022 and percentage held has been calculated based on the paid-up capital of our Company as on September 30, 2022.

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Upkar Singh	35,00,000	100%
	<b>Total</b>	<b>35,00,000</b>	<b>100%</b>

\*Details of shares held on September 30, 2021 and percentage held has been calculated based on the paid up capital of our Company as on September 30, 2021.

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

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

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

As on the date of this Draft Red Herring Prospectus, Our Promoters Upkar Singh, Kanwardeep Singh and Barunpreet Singh Ahuja hold 1,40,00,040 Equity Shares of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>Upkar Singh</b>							
March 03, 2014	50,000	10	10	Cash	Subscription to MOA	0.357	[●]



Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
May 26, 2015	30,00,000	10	10	Cash	Right Issue	21.428	[●]
July 01, 2015	4,50,000	10	10	Cash	Right Issue	3.214	[●]
April 20, 2023	(10)	10	Nil	Nil	Transfer of shares <sup>(a)</sup>	Negligible	[●]
July 29, 2023	1,04,99,970	10	Nil	-	Issue of Bonus Shares in ratio of 3:1	74.999	[●]
<b>Total (A)</b>	<b>1,39,99,960</b>					<b>99.998</b>	<b>[●]</b>
<b>Kanwardeep Singh</b>							
March 03, 2014	10	10	10	Cash	Subscription to MOA	Negligible	[●]
July 29, 2023	30	10	10	-	Issue of Bonus Shares in ratio of 3:1	Negligible	[●]
<b>Total (B)</b>	<b>40</b>					<b>Negligible</b>	<b>[●]</b>
<b>Barunpreet Singh Ahuja</b>							
March 03, 2014	10	10	10	Cash	Subscription to MOA	Negligible	[●]
July 29, 2023	30	10	10	-	Issue of Bonus Shares in ratio of 3:1	Negligible	[●]
<b>Total (C)</b>	<b>40</b>					<b>Negligible</b>	<b>[●]</b>
<b>Grand Total</b>	<b>1,40,00,040</b>					<b>100%</b>	<b>[●]</b>

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

(a) Details of transfer of 10 equity shares by Upkar Singh:

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	April 20, 2023	Manmeet Kaur	10
		<b>Total</b>	<b>10</b>

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Upkar Singh	1,39,99,960	2.50
2.	Kanwardeep Singh	40	2.50
3.	Barunpreet Singh Ahuja	40	2.50

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

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

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Upkar Singh	1,39,99,960	99.998	1,39,99,960	[●]
2.	Kanwardeep Singh	40	Negligible	40	[●]
3.	Barunpreet Singh Ahuja	40	Negligible	40	[●]
	<b>Sub Total (A)</b>	<b>1,40,00,040</b>	<b>99.998</b>	<b>1,40,00,040</b>	<b>[●]</b>
	<b>Promoter Group (B)</b>				
4.	Ikpreet Kaur	80	Negligible	80	[●]

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
5.	Kuldeep Kaur	40	Negligible	40	[●]
6.	Manmeet Kaur	40	Negligible	40	[●]
7.	New Swan Autocomp Private Limited	40	Negligible	40	[●]
	<b>Sub Total (B)</b>	<b>200</b>	<b>Negligible</b>	<b>200</b>	<b>[●]</b>
	<b>Total (A) + (B)</b>	<b>1,40,00,240</b>	<b>100</b>	<b>1,40,00,240</b>	<b>[●]</b>

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

Date of Allotment/ Transfer	Name of Shareholder	No. of Equity Share	% of Pre issue Capital	Allotment/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director)
April 08, 2023	Ikpreet Singh	10	Negligible	Acquisition of shares by way of Transmission	Promoter Group
April 20, 2023	Manmeet Kaur	10	Negligible	Acquisition of Shares by way of Transfer	Promoter Group
April 20, 2023	Upkar Singh	(10)	Negligible	Disposal of Shares by way Transfer	Promoter & Director
July 29, 2023	Upkar Singh	1,04,99,970	74.999	Acquisition of shares by Bonus Issue	Promoter & Director
July 29, 2023	Kanwardeep Singh	30	Negligible		Promoter & Director
July 29, 2023	Barunpreet Singh Ahuja	30	Negligible		Promoter & Director
July 29, 2023	Ikpreet Kaur	60	Negligible		Promoter Group
July 29, 2023	Kuldeep Kaur	30	Negligible		Promoter Group
July 29, 2023	New Swan Autocomp Private Limited	30	Negligible		Promoter Group
July 29, 2023	Manmeet Kaur	30	Negligible		Promoter Group

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

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

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,40,00,040 Equity Shares constituting [●]% of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters Upkar Singh has given written consent to include 38,20,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.09% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Upkar Singh</b>						
July 29, 2023	38,20,000	10	Nil	Bonus Issue	[●]	3 years
<b>Total</b>	<b>38,20,000</b>				<b>[●]</b>	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "**Promoter**" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in

for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e., for a period of three years from the date of allotment of Equity Shares in this issue.

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

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

<b>Reg. No.</b>	<b>Promoters’ Minimum Contribution Conditions</b>	<b>Eligibility Status of Equity Shares forming part of Promoter’s Contribution</b>
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters’ contribution	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

**Details of Promoters’ Contribution Locked-in for One Year**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 1,01,80,240 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

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

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter’s contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. Neither, we nor our Promoters, Directors and the BRLMs to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid-up Equity Shares.
21. The BRLMs i.e., Hem Securities Limited and Share India Capital Services Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
22. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. We have 7 (Seven) shareholders as on the date of filing of this Draft Red Herring Prospectus.
24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
28. An over-subscription to the extent of 1% of the Issue, can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and Designated Stock Exchange i.e., BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
30. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
31. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
32. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
33. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
35. There are no Equity Shares against which depository receipts have been issued.

36. Other than the Equity Shares, there is no other class of securities issued by our Company.
37. There are no safety net arrangements for this public issue.
38. As per RBI regulations, OCBs are not allowed to participate in this issue.
39. Our Promoters and Promoter Group will not participate in this Issue.
40. This Issue is being made through Book Building Method.
41. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
42. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

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

## **OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of up to 50,16,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share. We intend to utilize the proceeds of the net issue to meet the following objects:

1. Funding of capital expenditure towards purchase of certain machineries for existing manufacturing unit located at Raian, Ludhiana
2. Repayment of a portion of certain borrowing availed by our Company
3. To meet working capital requirements
4. General Corporate Purpose

(Collectively referred as the “**Objects**”)

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

The main objects clause of our Memorandum enables our Company to undertake its existing activities.

### **Net Proceeds**

The details of the Net Proceeds are set forth below:

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

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

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

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (₹ in Lakhs)</b>
1.	Funding of capital expenditure towards purchase of certain machineries for existing manufacturing unit located at Raian, Ludhiana	479.14
2.	Repayment of a portion of certain borrowing availed by our Company	950.00
3.	To meet working capital requirements	[●]
4.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### **Means of Finance**

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

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

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

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

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure

plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled **"Risk Factors"** beginning on page 22 of this Draft Red Herring Prospectus.

### Details of Utilization of Net Proceeds

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

#### 1. Funding of capital expenditure towards purchase of certain machineries for existing manufacturing unit located at Raian, Ludhiana

We propose to acquire the following machineries for our existing manufacturing facility located at Village Raian, Ludhiana, Punjab. This investment is anticipated to yield the following benefits:-

(i) Hydraulic Press Machine - The hydraulic press machine is intended for the in-house production of deep-drawn parts such as side covers for the Rotary Tiller, bet covers for the Potato Planter and for creation of ridges for the Potato Planter. Currently, we source these parts from an external supplier. We believe that bringing the manufacturing process in-house will offer potential cost-saving advantages and improve the quality.

(ii) Power press machines – We intend to install four power press machines which will serve as automatic line for assembly of rototvators. Currently, the assembly of rotovators are carried in manual manner. Installing power press machines will assist in higher productivity and saving in handling cost.

(iii) Fibre Laser Machine - The Fiber Laser will be employed for precision cutting of steel plates essential in the fabrication of farm machinery, including Rotary Tillers, Potato Planters and Super Seeders, among others. Currently, we have an integrated Fiber Laser machine in our facility. Procuring another Fiber Laser machine will not only increase our production capacity but also provide an important backup plan.

Details of the machineries proposed to be acquired:-

(Rs in Lakhs)				
S. No	Machinery Details	Qty	Quotation details	Quotation Amount
1.	Hydraulic Press Machine (Steel Body Heavy duty Structure)	1	Quotation dated September 11, 2023 from Milap Industrial Corporation	89.09
2.	SEW’ SNX Series Cross Shaft Geared Power Press Machine (Model SNX - 110T and Model SNX -160T)	2	Quotation dated September 10, 2023 from Singhal Power Pressess Pvt Ltd	63.25
	SEW’ SBP Series Cross Shaft Geared Power Press Machine	1		81.35
3.	Amco’ Make 630 Tons Knuckle Joint Press Top Drive	1	Quotation dated September 09, 2023 from M.S.S.S. Mechanical Works (Regd.)	59.21
4.	Vertical Blade (for power press machine)	1	Quotation dated July 04, 2023 from Srinivasa Tools	26.94
5.	Pro-4020 Fiber Laser Cutting Machine – Close Glass body Dual Pallet with 3 KW IPG YLR Laser Source and Ethercat (Close loop) Controller	1	Quotation dated September 27, 2023 from Suresh Indu Lesers Pvt Ltd.	159.30
	Pro-4020 Fiber Laser Cutting Machine – Close Glass body Dual Pallet with 3 KW SIL OEM (Max Intergrated) Laser Source and Ethercat (Close loop) Controller	1		
TOTAL				479.14

\*including GST

#### Notes:

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.



- b) All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- c) The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- d) We are not acquiring any second-hand machinery.
- e) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation would be met out of our internal accruals

## 2. Repayment of a portion of certain borrowing availed by our Company

Our Company proposes to utilise an estimated amount of ₹ 950.00 lakhs towards repayment of cash credit facility availed by our Company from HDFC Bank Limited. Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of, *inter alia*, term loans and working capital facility from various lenders. For further details, see “**Statement of Financial Indebtedness**” on page 170. Our Company proposes to utilise an estimated amount of ₹ 950 lakhs from the Net Proceeds towards partial repayment of cash credit facility, listed below, availed from the HDFC Bank Limited by our Company.

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

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

Sr. No.	Name of the lender	Nature of the borrowing	Sanctioned amount (in ₹ lakhs)	Amount Outstanding as at September 27, 2023 (in ₹ lakhs)	Rate of interest (%)	Repayment date/ Schedule	Prepayment Penalty	Purpose for which the loan was sanctioned* (Rs. in Laksh)
1	HDFC Bank Limited	Cash Credit facility	1500.00	978.18	9.95%	On demand	Not specified	950.00

*Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated September 28, 2023.*

\*Our Statutory Auditors by way of their certificate dated September 28, 2023 have confirmed that the borrowings specified above has been utilized for the purposes availed, as per the sanction letters/loan agreements issued by the respective banks.

The prepayment charges have not been specified in the sanction letter for repayment of CC limit. Thus, in case any charges are made by bank, the same will be funded from the internal accruals of our Company.

## 3. To Meet Working Capital Requirement

Our business requires working capital majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹ [●] from the Net Proceeds of the Offer and balance from borrowings at an appropriate time

S. No.	Particulars	Restated (Standalone)			Estimated
		31-March-2021	31-March-2022	31-March-2023	31-March-2024
<b>I</b>	<b>Current Assets</b>				
	Inventories	3,811.46	3,005.31	4,678.78	[●]
	Trade receivables	714.76	1,233.52	1,089.47	[●]
	Short Term Loans & Advances	1234.69	2,150.32	945.42	[●]
	Other Current Assets	514.94	385.23	241.62	[●]
	<b>Total(A)</b>	<b>6,275.86</b>	<b>6,774.38</b>	<b>6,955.28</b>	[●]
<b>II</b>	<b>Current Liabilities</b>				
	Trade payables	4,617.84	4,381.93	4,187.01	[●]
	Other current liabilities	439.99	549.79	571.42 <sup>(1)</sup>	[●]
	Short-term provisions	127.61	209.77	317.85	[●]
	<b>Total (B)</b>	<b>5,185.44</b>	<b>5,141.49</b>	<b>5,076.28</b>	[●]
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>1,090.42</b>	<b>1,632.89</b>	<b>1,879.00</b>	[●]
<b>IV</b>	<b>Funding Pattern</b>				
	Short Term Borrowings & Internal accruals	<b>1,090.42</b>	<b>1,632.89</b>	<b>1,879.00</b>	[●]
	<b>IPO Proceeds</b>				[●]

<sup>(1)</sup> excludes advance for capital goods of Rs. 440 lakhs.

#### Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as well as projections for financial year ended March 31, 2024.

Particulars	Unit	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
		Audited	Audited	Audited	Estimated
Debtors	Days	17	31	26	[●]
Creditors	Days	170	175	150	[●]
Inventories	Days	93	75	113	[●]

#### Justification:

<b>Debtors</b>	[●]
<b>Creditors</b>	[●]
<b>Inventories</b>	[●]

#### 4. General Corporate Purpose

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

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

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

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]

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

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

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

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

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

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

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

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

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

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

\*For each valid application by respective Sponsor Bank

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

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

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

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

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

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

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

\* Based on valid applications

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

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

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

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

#### Proposed Schedule of Implementation:

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

(₹ in Lakhs)		
S. No.	Particulars	Amount to be deployed and utilized in F.Y. 23-24
1.	Funding Capital Expenditure towards installation of additional plant and machinery for Expansion.	479.14
2.	Repayment of a portion of certain borrowing availed by our Company	950.00
3.	To meet working capital requirements	[●]
4.	General Corporate Purpose	[●]
5.	Issue Expenses	[●]
	<b>Total</b>	[●]

#### Funds Deployed and Source of Funds Deployed:

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

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

#### Sources of Financing for the Funds Deployed:

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

(₹ in Lakhs)	
Particulars	Amount
Internal Accruals	[●]
<b>Total</b>	[●]

#### Appraisal

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the DRHP, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail reviewing the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

### **Shortfall of Funds**

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

### **Bridge Financing Facilities**

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

### **Monitoring Utilization of Funds**

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

### **Interim Use of Proceeds**

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

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

### **Variation in Objects**

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

### **Other confirmations**

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

## **BASIS FOR ISSUE PRICE**

*Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of the Company” beginning on page 22, 96 and 141 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

### **QUALITATIVE FACTORS**

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

- a) In-house Manufacturing capabilities;
- b) Large base of dealers and customers along with strong relationship;
- c) Wide Range of Products;
- d) Stringent quality control mechanism ensuring standardized product quality;
- e) Synergy of young and experienced management team with a committed employee base

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 96 of this Draft Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, please refer section titled “Financial Information of the Company” on page 141 of this Draft Red Herring Prospectus.

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

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

As per the Restated Financial Statements:

Sr. No	F.Y.	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2023	7.09	3
2.	Financial Year ending March 31, 2022	2.59	2
3.	Financial Year ending March 31, 2021	2.45	1
	<b>Weighted Average</b>	<b>4.82</b>	<b>6</b>

#### **Notes:**

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

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

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2023	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest (JBM Auto Limited)	135.69
Lowest (Sansera Engineering Limited)	34.62
<b>Industry Average</b>	<b>72.45</b>



*\*We are unable to find exact listed peers which are engaged in both auto components as well as agricultural implements. Thus, we have included those peers which are engaged in auto-components for broad comparison purpose. Thus, the peers are not exactly comparable.*

**Note:**

- i) The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- ii) P/E Ratio of the peer company is based on the Consolidated Audited Results for the F.Y. 2022-23 and stock exchange data dated September 22, 2023.

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

Sr. No	Period	RONW (%)	Weights
1	Period ending March 31, 2023	33.27%	3
2	Period ending March 31, 2022	18.25%	2
3	Period ending March 31, 2021	21.06%	1
	<b>Weighted Average</b>	<b>26.23%</b>	<b>6</b>

**Note:**

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

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

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2021	11.62
2.	As at March 31, 2022	14.21
3.	As at March 31, 2023	21.30
4.	NAV per Equity Share after the Issue	
	(i) at Floor Price	[●]
	(ii) at Cap Price	[●]
5.	Issue Price	[●]

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

**Notes:**

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

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

(₹ In lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS Basic/ Diluted	PE	RoNW (%)	Book Value (₹)	Total Income (₹ In lakhs)
New Swan Multitech Ltd	[●]	10.00	7.09	[●]	33.27%	21.30	15,142.17
<b>Peer Group</b>							
Sansera Engineering Limited <sup>(i)</sup>	940.65	2.00	27.17	34.62	12.55%	223.31	23,5611.30
Endurance Technologies Limited <sup>(i)</sup>	1603.25	10.00	34.09	47.03	10.87%	313.67	88,4947.30
JBM Auto Limited <sup>(i)</sup>	1435.65	2.00	10.58	135.69	12.40%	87.09	38,8438.80

**Notes:**

- (i) Source – All the financial information for listed industry peers mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated September 22, 2023 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.



- (ii) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the F.Y. 2022-23.
- (iii) NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equity shares as on March 31, 2023.
- (iv) RoNW has been computed as net profit after tax divided by closing net worth.
- (v) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vi) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

## 6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 28, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by ADV & Associates, Chartered Accountants, by their certificate dated September 28, 2023.

The KPIs of our Company have been disclosed in the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*” on pages 96 and 174, respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” on page 1.

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

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	15,116.04	14,546.71	14,947.45
EBITDA <sup>(2)</sup>	2,022.34	1,149.28	1,061.56
EBITDA Margin <sup>(3)</sup>	13.38%	7.90%	7.10%
PAT <sup>(4)</sup>	991.93	363.14	342.63
PAT Margin <sup>(5)</sup>	6.56%	2.50%	2.29%
RoE(%) <sup>(6)</sup>	33.27%	18.25%	21.06%
RoCE (%) <sup>(7)</sup>	24.86%	12.64%	12.56%

#### Notes:

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

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

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

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

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

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

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus Long term borrowings and Short term borrowings.

#### Explanation for KPI metrics:

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

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

*(₹ In Lakhs except percentages and ratios)*

Key Financial Performance	New Swan Multitech Ltd			Sansera Engineering Limited			Endurance Technologies Limited			JBM Auto Limited		
	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	15,116.04	14,546.71	14,947.45	233,830.30	198,903.20	154,927.10	8,80,404.6	7,54,914	6,54,701.8	3,85,738.23	3,19,304.70	198204.31
EBITDA <sup>(2)</sup>	2,022.34	1,149.28	1,061.56	37145.4	32795.8	26753.5	1,02,106.8	93,011.2	1,02,686.4	39,366.28	32,901.12	19462.12
EBITDA Margin (%) <sup>(3)</sup>	13.38%	7.90%	7.10%	15.89%	16.49%	17.27%	11.60%	12.32%	15.68%	10.21%	10.30%	9.82%
PAT <sup>(4)</sup>	991.93	363.14	342.63	14,834.2	13,188.9	10,986	47,957.5	46,070.9	51,956.9	12,513.15	15,638.25	4930.04
PAT Margin (%) <sup>(5)</sup>	6.56%	2.50%	2.29%	6.34%	6.63%	7.09%	5.45%	6.10%	7.94%	3.24%	4.90%	2.49%
RoE (%) <sup>(6)</sup>	33.27%	18.25%	21.06%	12.55%	12.74%	12.36%	11.51%	12.31%	15.82%	12.14%	17.44%	6.61%
RoCE (%) <sup>(7)</sup>	24.86%	12.64%	12.56%	13.68%	13.31%	14.19%	13.17%	13.65%	16.52%	11.33%	11.12%	7.96%

Notes:

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

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

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

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

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

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

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings

## 8. Weighted average cost of acquisition

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

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on July 29, 2023 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-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

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

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

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

### Primary Transactions:

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

Date of Allotment	No. of equity Shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
July 29, 2023	1,05,00,180	Nil	Bonus Issue	-	Nil

### Secondary Transactions:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this DRHP:

Date of transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share (₹)	Nature of transaction	Total Consideration
August 18, 2023	Upkar Singh	Manmeet Kaur	10	Nil	Nil	-

Weighted average cost of acquisition & Issue price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price* (i.e. ₹ [●])	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	0.00	[●] times	[●] times

Note:

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

^^There were no secondary sale/ acquisitions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Draft Red Herring Prospectus.

\* To be updated at Prospectus stage.

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

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLMs and will be justified by us in consultation with the BRLMs on the basis of the above information. Investors should read the above-mentioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” on pages 96, 22 and 141 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.

## **STATEMENT OF SPECIAL TAX BENEFITS**

To,  
**The Board of Directors,**  
**New Swan Multitech Limited**  
310, 3rd floor, Vardhman Crown Mall,  
Plot No. 2, Sector-19, District Court Complex  
Dwarka, New Delhi, South West Delhi – 110 075, India

Dear Sir,

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

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

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

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

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

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

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

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

**For A D V & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 128045W**

**Sd/-**  
**CA Pratik Kabra**  
**Partner**  
**Membership No: 611401**  
**Date: Sept 28, 2023**  
**Place: Mumbai**  
**UDIN: 23611401BGUOJZ6254**

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

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

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

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

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

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

#### **Notes:**

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

## **INDUSTRY OVERVIEW**

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

## **GLOBAL ECONOMY**

After growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger than expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored.

Global growth could be weaker than anticipated in the event of more widespread banking sector stress, or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of global financial conditions. This difficult context highlights a multitude of policy challenges. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

### ***Regional prospects***

Growth is projected to diverge across EMDE regions this year and next. It is expected to pick up in 2023 in East Asia and Pacific (EAP) and Europe and Central Asia (ECA), as China's reopening spurs a recovery and as growth prospects in several large economies improve. In contrast, growth is forecast to moderate in all other regions, particularly in Latin America and the Caribbean (LAC) and the Middle East and North Africa (MNA). Headwinds from weak external demand, tight global financial conditions, and high inflation will drag on activity this year, especially in LAC, South Asia (SAR), and Sub-Saharan Africa (SSA). The lingering impact of Russia's invasion of Ukraine will continue to weigh on growth across regions, particularly in ECA. Next year, growth is projected to moderate in EAP and SAR but to pick up elsewhere as domestic headwinds ease and external demand strengthens. Downside risks to the outlook for all regions include possible further global financial stress and more persistent domestic inflation than projected in the baseline. Geopolitical tensions, conflict and social unrest, and natural disasters stemming from climate change also present downside risks, to varying degrees. The materialization of such risks could further weaken potential growth, leading to a prolonged period of slower growth in all EMDE regions.

### ***Financial Spillovers of Rising U.S. Interest Rates***

The rapid rise in interest rates in the United States poses a significant challenge to EMDEs. As the Federal Reserve has pivoted toward a more hawkish stance to rein in inflation, a substantial part of the sharp increases in U.S. interest rates since early 2022 has been driven by shocks that capture changes in perceptions of the Fed's reaction function. These reaction shocks are associated with especially adverse financial market effects in EMDEs, including a higher likelihood of experiencing a financial crisis. Their effects also appear to be more pronounced in EMDEs with greater economic vulnerabilities. These findings suggest that major central banks can alleviate adverse spillovers through proper communication that clarifies their reaction functions. They also highlight that EMDEs need to adjust macroeconomic and financial policies to mitigate the negative impact of rising global and U.S. interest rates.

### ***Global outlook***

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023 as a whole, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China (figure A). Inflation pressures persist, and the drag on growth from the ongoing monetary tightening to restore



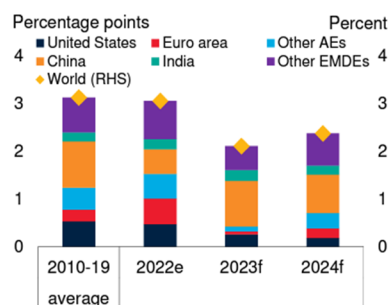
price stability is expected to peak in 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year. This slowdown will compound a period of already-subdued growth—over the first half of the 2020s (2020-2024), growth in EMDEs is expected to average just 3.4 percent, one of the weakest half-decades of the past 30 years (figure B). This slowdown reflects both cyclical dynamics and the current trend of declining global potential output growth (figure C).

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

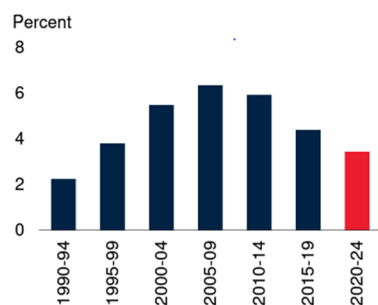
Inflation pressures persist. Although global headline inflation has been decelerating as a result of base effects, abating supply chain pressures, and falling commodity prices, core inflation in many countries remains elevated, and inflation is above target in almost all inflation-targeting economies.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

In all, global growth is forecast to slow from 3.1 percent in 2022 to 2.1 percent in 2023, before edging up to 2.4 percent in 2024. Relative to the January projections, this is 0.4 percentage point stronger in 2023 and 0.3 percentage point weaker in 2024. Greater-than-expected resilience of major economies at the end of 2022 and early in 2023 led to the overall upgrade to growth in 2023. Growth in advanced economies is set to decelerate substantially for 2023 as a whole, to 0.7 percent, and to remain feeble in 2024, due to monetary tightening, less favorable credit conditions, softening labor markets, and still-high energy prices. In EMDEs, aggregate growth is projected to edge up to 4 percent in 2023, almost entirely due to a rebound in China following the removal of strict pandemic-related mobility restrictions. Excluding China, growth in EMDEs is set to slow substantially to 2.9 percent this year. This projection is predicated on the assumption of a protracted period of tight global monetary policy, fiscal consolidation in most EMDEs, and weak external demand. The slowdown is expected to be even more severe for EMDEs with elevated fiscal vulnerabilities and external financing needs. Persistent weak growth means that, excluding China, EMDEs are expected to continue making next to no progress at closing the differential in per capita incomes relative to advanced economies (figure F). By 2024, economic activity in EMDEs will still be about 5 percent below levels projected on the eve of the pandemic.

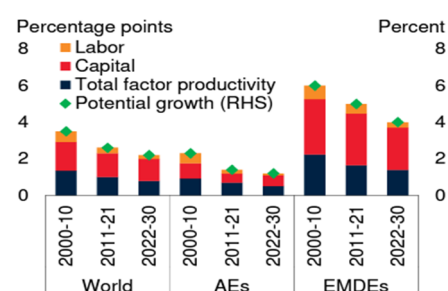
**A. Contributions to global growth**



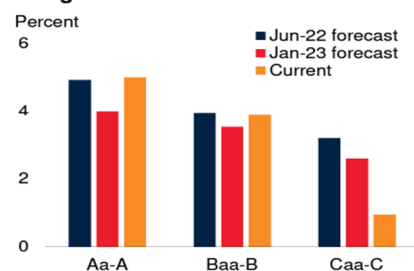
**B. Growth in EMDEs**



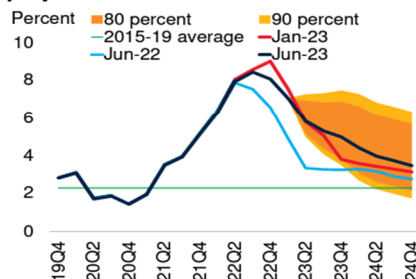
**C. Contributions to potential growth**



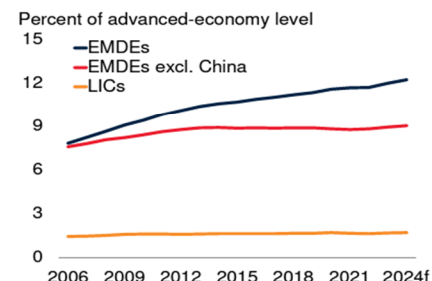
**D. EMDE growth in 2023, by credit rating**



**E. Model-based global CPI inflation projections**



**F. EMDE GDP per capita**



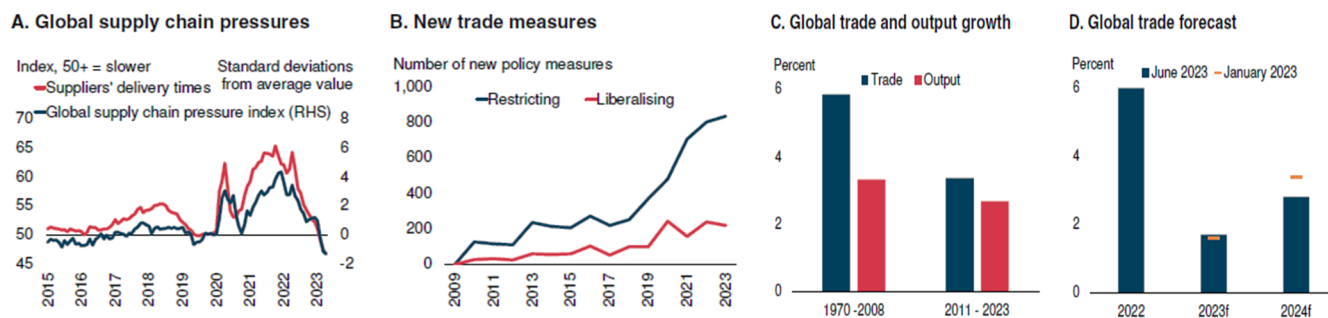
The global economy is projected to slow substantially this year, with a pronounced deceleration in advanced economies. The first half of the 2020s is expected to be one of the weakest half-decades of the past 30 years for emerging market and developing economies (EMDEs), as a result of both cyclical dynamics and slowing potential growth. EMDEs with lower credit ratings are set to experience a particularly sharp slowdown this year. Inflation remains elevated in many countries and is envisaged to remain above pre-pandemic levels beyond 2024. Excluding China, EMDEs are expected to make next to no progress at closing the gap in per capita incomes with advanced economies over the forecast horizon.

### Global risks and policy challenges

An intensification of advanced-economy banking stress could result in a sharp slowdown in global growth in 2024, or even a global recession if it had major spillovers to emerging market and developing economies (EMDEs). A more hawkish U.S. monetary policy reaction to inflation could also further raise borrowing costs in EMDEs, especially in those with underlying vulnerabilities. There is an increasing need for debt relief for low-income countries amid a greater diversity of lenders. Substantial investments are needed to achieve resilient and low-carbon growth. Rising debt servicing costs are increasing the risk of debt distress. Reversing the decline in potential growth requires decisive structural reforms.

### Global trade

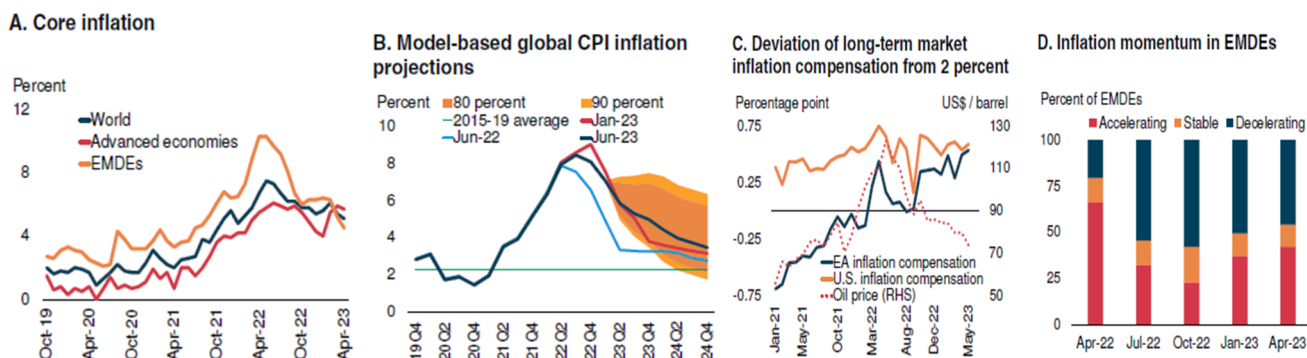
Supply chain pressures and supplier delivery times have dropped back to pre-pandemic levels as goods demand has weakened and global shipping conditions have improved. A rising number of new trade measures have been protectionist. The ongoing shift in global consumption toward less trade-intensive goods will likely continue to lower the growth rate of trade relative to output. This shift and subdued demand are expected to dampen global trade growth substantially this year.



### Global inflation and financial developments

Global core inflation remains elevated. Projections suggest inflation will continue to be above its pre-pandemic level beyond 2024. Market-based measures of long-term inflation compensation in advanced economies remain above 2 percent, despite a decline in oil prices. In many emerging market and developing economies (EMDEs), inflation is either accelerating or has stabilized at high levels. One-year-ahead EMDE inflation expectations have declined only slightly. Longer-term projections point to a faster decline in inflation in countries with inflation targets.

Prior to the advanced-economy bank failures in March, the U.S. yield curve registered its deepest inversion in four decades. During the banking stress, short-term government bond yields and bank stocks fell sharply. Despite these events, and much tightened bank lending standards, advanced economy credit spreads remain contained. As borrowing costs have risen globally, currency depreciation and credit spread widening in emerging market and developing economies have been disproportionately concentrated in the countries with the weakest credit ratings.



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

## INDIAN ECONOMY

In general, global economic shocks in the past were severe but spaced out in time. This changed in the third decade of this millennium. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronised policy rate hikes to curb inflation.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate. India's economic growth in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Still, private capex soon needs to take up the leadership role to put job creation on a fast track. Recovery of MSMEs is proceeding apace, as is evident in the amounts of GST they pay, while the ECGLS is easing their debt servicing concerns.

Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand and, to a lesser extent, by exports. Growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors.

Table I.1: Global economic challenges led to a downward revision in growth forecast across countries

	Growth Projections (per cent)		Change from WEO Update (July 2022) (per cent)	
	2022	2023	2022	2023
World	3.2	2.7	0	-0.2
Advanced Economies	2.4	1.1	-0.1	-0.3
United States	1.6	1	-0.7	0
Euro Area	3.1	0.5	0.5	-0.7
UK	3.6	0.3	0.4	-0.2
Japan	1.7	1.6	0	-0.1
Emerging Market Economies	3.7	3.7	0.1	-0.2
China	3.2	4.4	-0.1	-0.2
India*	6.8	6.1	-0.6	0

Source: IMF

Note: \*Projection for India is for its fiscal year (Apr-Mar), while for the other economies, it is from Jan-Dec.

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>)

## ***Market Size***

India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

## ***Recent Developments***

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy.

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at ₹ 147,686 crore (US\$ 17.92 billion).
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at ₹ 58,762 crore (US\$ 7.13 billion).

## ***Government Initiatives***

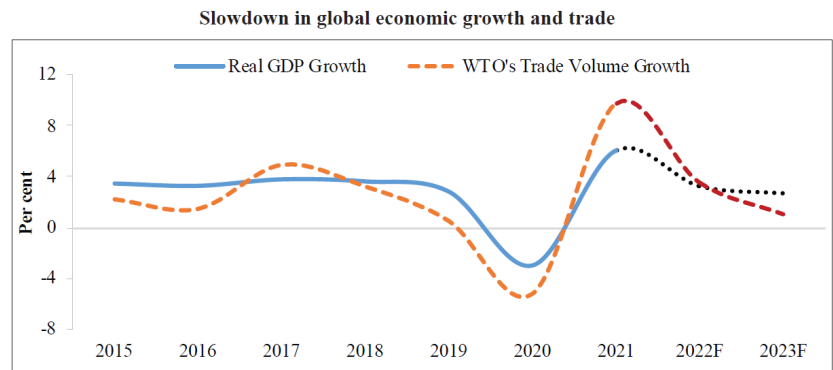
Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports.

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- In August 2022, a Special Food Processing Fund of ₹ 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of ₹ 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.

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

## ***Growth Outlook: 2023-24***

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The private sector – financial and non-financial – was repairing balance sheets, which led to a slowdown in capital formation in the previous decade. The financial system stress experienced in the second decade of the millennium, evidenced by rising nonperforming assets, low credit growth and declining growth rates of capital formation, caused by excessive lending witnessed in the first decade-plus, is now behind us. Aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible. More importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7X in the last seven years, from FY16 to FY23, re-invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance.



Source: IMF, WTO  
Note: F stands for Forecast

### ***Growth Magnets in this Decade (2023-2030)***

After a long period of balance sheet repair in the financial and corporate sector, the financial cycle is poised to turn upward. As the health and economic shocks of the pandemic and the spike in commodity prices in 2022 wear off, the Indian economy is thus well placed to grow at its potential in the coming decade, similar to the growth experience of the economy after 2003. This is the primary reason for expecting India's growth outlook to be better than it was in the pre-pandemic years. The sound and healthy financial system developed over the last few years will ensure efficient credit provisioning, contributing to higher growth in the coming years through higher investments and consumption. Thanks to India's digital revolution and formalisation, banks have far more information about their customer's credit risks than before, thus being able to make credit and pricing decisions better than before.

(Source: <https://www.indiabudget.gov.in/economicsurvey/>)

### ***Road Ahead***

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022-23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## **AGRICULTURE AND ALLIED INDUSTRIES - INDUSTRY SCENARIO**

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India's population. India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest

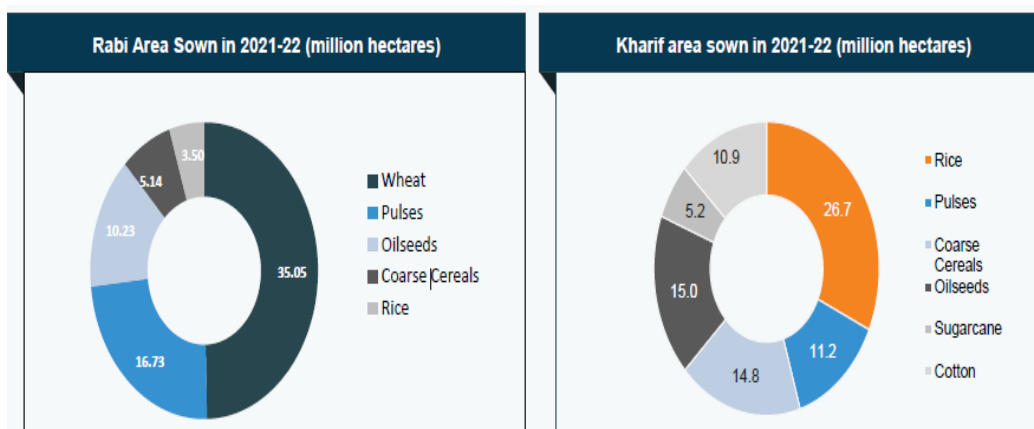
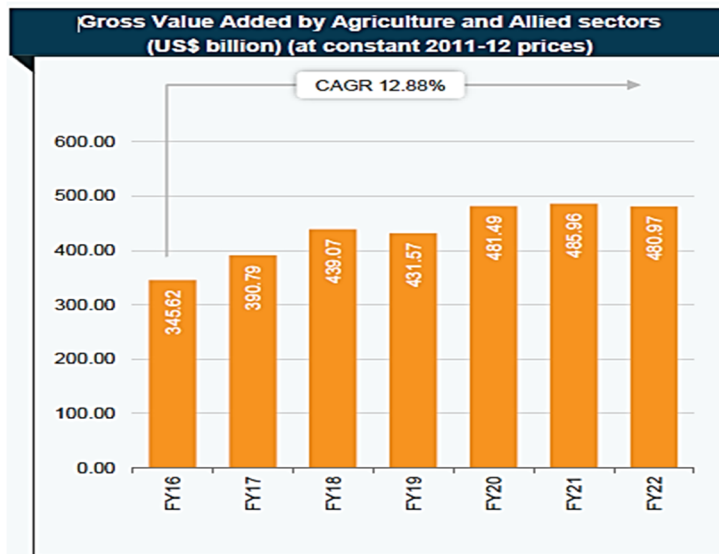


producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. The agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with a means of sustenance. Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

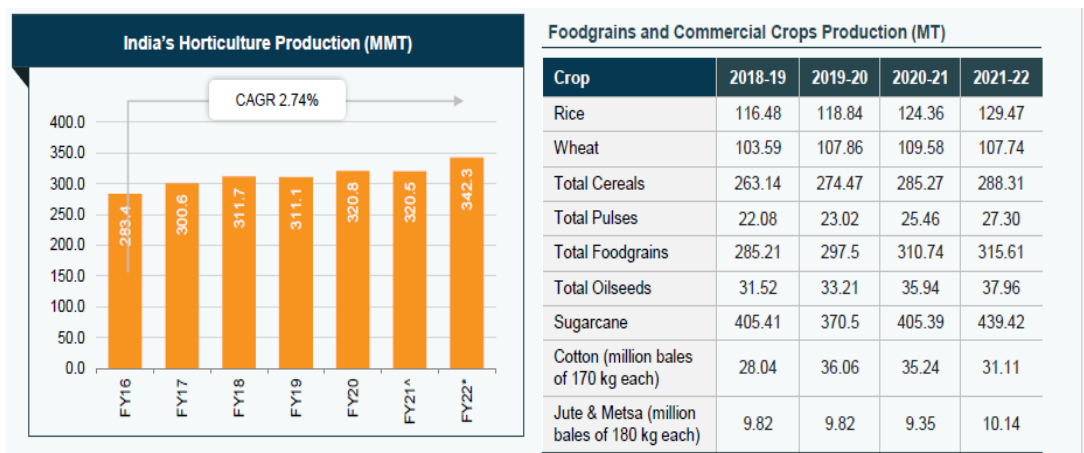
At current prices, agriculture and allied sectors account for 18.3% of India's GDP (2022-23). As First Advance Estimates of the country's Agriculture and allied activities recorded a growth rate of 3.5-4% in FY 2021-22. As per the third Advance Estimates of National Income, 2021-22 released by the National Statistical Office (NSO), Ministry of Statistics & Programme Implementation, the agriculture and allied sectors contributed approximately 18.6 % of India's GVA at current prices during 2021-22. As per the Budget 2022-23, Rs. 20 lakh crore (US\$ 24.41 billion) agricultural credit targeted at animal husbandry, dairy and fisheries. For the year 2022-23, an export target of US\$ 23.56 billion has been fixed for the agricultural and processed food products basket and an export of US\$ 17.435 billion has already been achieved in eight months of the current fiscal. Between April 2000-December 2022, FDI in agriculture services stood at US\$ 4.43 billion. According to Bain & Co., the Indian agricultural sector is predicted to increase to US\$ 30-35 billion by 2025.

**Notes:** GDP - Gross Domestic Product, MOSPI – Ministry of Statistics and Programme Implementation;  
(Source: Ministry of Agriculture, Print Release, RBI, MOSPI, Central Statistics Office (CSO), Union Budget 2023-24, Bain & Co.)

There are two major agricultural seasons in India: Kharif and Rabi. Kharif season lasts from April to September (summer) - rice (paddy) is the season's main crop and rabi season lasts from October to March (winter) -wheat is the season's main crop. Monitoring of rabi crops sowing revealed that as on December 9, 2022, the area sown under rabi crops has increased from 457.80 to 526.27 lakh hectares. Out of 68.47 lakh hectares increase in all rabi crops, the increase in wheat area is 51.85 lakh hectares from 203.91 to 255.76 lakh hectares. The production of kharif food grains in 2022-23, as per the Second Advance Estimates (AE), is estimated at 153.43 million tonnes. The production of Rabi food grains in 2022-23, as per the Second Advance Estimates (AE), is estimated at 170.1 million tonnes As of October 27, 2021, the total rabi area stood at 0.53 lakh hectares.



As per Second Advance Estimates for FY23 (Kharif only), total food grain production in the country is estimated at 153.43 million tonnes. India's agriculture exports touched a historic high of US\$ 50 billion (FY22). The highest-ever exports were achieved for staples like rice, wheat, sugar, other cereals and meat. As per the provisional figures released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), agricultural exports have grown by 19.92% during 2021-22 to touch US\$ 50.21 billion. This remarkable feat has been made possible on the shoulders of several key initiatives taken by the Central government to increase the production of food grains in recent years.



Note: \* As per the first advance estimates \* as per 4th revised estimate, \*\* as per 2nd advance estimate, \*\*\* as per 1st advance estimates, ^ as per 4th revised estimate, \*\*\*\* as per 4th advance estimate  
(Source: Ministry of Agriculture and Farmers' Welfare, Press Release)

### Demand of Indian agricultural products

India's agricultural and processed food products exports stood at US\$ 43.37 billion in FY23 (April-January 2023). The exports for principal commodities (April 2022–February 2023) were the following:

- Wheat and Other Cereals: US\$ 2.62 billion
- Non-Basmati Rice: US\$ 5.73 billion
- Oil Meal: US\$ 1.34 billion
- Raw Cotton: US\$ 0.69 billion
- Sugar: US\$ 5.28 billion
- Spices: US\$ 3.41 billion

In FY22, India's agricultural exports are likely to surpass US\$ 40 billion, according to NABARD.

As per the Economic Survey 2022-23, the government aims to make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.

### Strategies adopted

#### 1. Rising business and product innovation

India's food service market is expected to reach US\$ 79.65 billion by 2028, growing at a CAGR of 11.19% from US\$ 41.1 billion in 2022. The government is promoting the use of drones in agriculture by providing financial assistance through the 'Sub-Mission on Agriculture Mechanization. Government aims to make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level. National Agriculture Market (eNAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. Integration of APMCs across the country through a common online market platform to facilitate pan-India trade in agriculture commodities, providing better price discovery through transparent auction process based on quality of produce along with timely online payment.

#### 2. Research

As per the Union Budget 2023-24, government aims to make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level. Agriculture Accelerator Fund to be set-up to encourage agri-startups by young entrepreneurs in rural area.

#### 3. Low-cost price strategy

Low-cost price strategy is adopted so as to make the product affordable to consumers by guaranteeing them value for money. For example, to penetrate deeper into the Indian households Kissan adopted a low cost price strategy also known as penetration pricing strategy to make its products affordable and attractive to the consumers by giving them value for



money. The demand for processed foods in India is constrained by low income and sociocultural factors. Government has set up a special fund called the Food Processing Fund (FPF) of approximately US\$ 265 million in the National Bank for Agriculture and Rural Development (NABARD) for extending affordable credit to designated food parks and food processing enterprises in the designated food parks.

([https://www.ibef.org/download/1690789236\\_Agriculture\\_and\\_Allied\\_Industries-May-2023.pdf](https://www.ibef.org/download/1690789236_Agriculture_and_Allied_Industries-May-2023.pdf))

### ***Growth Drivers of Indian Agriculture***

#### **1. Demand-side drivers**

Rapid population expansion in India is the main factor driving the industry. Changing lifestyle and food habits due to increased disposable income. The demand for processed foods in India is constrained by low income and socio-cultural factors.

#### **2. Supply-side drivers**

According to the Center for Environment and Agriculture (CENTEGRO) and Crop Care Federation of India (CCFI), India can become the 'global agricultural hub' for other countries, which have harsh weather, scarce labour and lands, and are seeking to outsource their agriculture. High level of agricultural production - large livestock base, wide variety of crops, inland water bodies and a long coastline, help increase marine production. Bringing Green Revolution to Eastern India (BGREI).

#### **3. Policy support**

A new sub-scheme of PM Matsya Sampada Yojana with targeted investment of Rs. 6,000 crore (US\$ 729 million) to be launched to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market. Online, Competitive, Transparent Bidding System with 1.74 crore farmers and 2.39 lakh traders put in place under the National Agriculture Market (e-NAM) Scheme.

### **Growing area under irrigation**

Gross irrigated area under food grains was estimated to reach 64.8 million hectares in FY19. Of the wide variety of crops in India, rice and wheat are the most irrigated. Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) has been formulated with the vision of extending the coverage of irrigation 'Har Khet ko pani' and improving water use efficiency 'More crop per drop' in a focused manner with end-to-end solution on source creation, distribution, management, field application and extension activities. PMKSY has been formulated amalgamating ongoing schemes viz. Accelerated Irrigation Benefit Programme (AIBP) of the Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR, RD&GR), Integrated Watershed Management Programme (IWMP) of Department of Land Resources (DoLR) and the On Farm Water Management (OFWM) of Department of Agriculture and Cooperation (DAC). Under PMKSY-Per Drop More Crop, an area of 32.697 lakh hectare (ha) has been covered under micro irrigation in the country. Under PMKSY-HKRP- Repair, Renovation and Restoration of water bodies (RRR of water bodies), a total of 395 water bodies have been taken up during 2018-2021. Climate-Smart Farming Practices: This is slowly gaining acceptance with farmers using clean energy sources like solar for irrigation.

*(Source: News Articles, Ministry of Agriculture and Farmers Welfare)*

### **Institutional credit and investments on a rise**

The performance of the agriculture and allied sector has been buoyant over the past several years, much of which is on account of the measures taken by the government to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund. Private investment in agriculture increased to 9.3% in 2020-21. Institutional Credit to the Agricultural Sector continued to grow to Rs. US\$ 226 billion (18.6 lakh crore) in 2021-22. US\$ 1.66 billion (Rs. 13,681 crore) sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund. Free food grains to about 81.4 crore beneficiaries under the National Food Security Act for one year from January 1, 2023. The Centre has granted permission to five private companies to conduct cluster farming of specified horticulture crops on approximately 50,000 hectares on a trial basis, with a total investment of US\$ 91.75 million (Rs. 750 crore). The five companies chosen through a bidding process for the pilot cluster farming program are Prasad Seeds, FIL Industries, Sahyadri Farms, and Meghalaya Basin Management Agency. 27,003 Loans have been sanctioned in the country under credit linked subsidy component of the PM Formalisation of Micro Food Processing Enterprises Scheme (PMFME).

### ***Favourable policies for Sector***

#### **➤ Agriculture Export Policy, 2018**

New export policy was cleared by the Government of India in December 2018. Targets increasing India's agricultural export to over US\$ 60 billion by 2022.

➤ **Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan)**

Prime Minister of India launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) Benefits under the PM Kisan plan have been delivered to about 11.78 crore farmers as of February 22nd 2022, and Rs. 1.82 lakh crore (US\$ 23.97 billion) have been released to qualified recipients across India in various payments.

➤ **Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)**

Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA) is an umbrella scheme to ensure minimum support price (MSP) to farmers. It comprises the previous price support scheme (PSS), with few modifications and introduction of new schemes, including price deficiency payment scheme (PDPS) and pilot of private procurement and stockist scheme (PPSS).

➤ **Pradhan Mantri Krishi Sinchai Yojana (PMKSY)**

As per the Union Budget 2021-22, Rs. 11,588 crore (US\$ 1.5 billion) was allocated to Pradhan Mantri Krishi Sinchai Yojana (PMKSY).

➤ **Model Contract Farming & Services Act 2018**

In May 2018, the Government finalised the Model Contract Act to include all services in the agriculture value chain under its ambit along with contract farming activity. The act has laid special emphasis on protecting farmers' rights in the country.

➤ **Pradhan Mantri Kisan Maan-Dhan Yojana (PM-KMY)**

A minimum fixed pension of Rs. 3,000 (US\$ 42.92) will be provided to eligible small and marginal farmers on attaining the age of 60 years, subject to certain exclusion clauses. The beneficiary is required to make a monthly contribution between Rs. 55 to Rs. 200 (US\$ 0.78 to 2.86) to the Pension Fund depending on the age of entry into the scheme and a provision of equal contribution by the Central Government.

➤ **Dairy Sahakar scheme**

In October 2021, the Union Minister of Home Affairs and Cooperation launched the 'Dairy Sahakar' scheme in Anand, Gujarat. Under the scheme, financial support will be extended by the National Cooperative Development Corporation (NCDC) to eligible cooperatives for activities, such as bovine development, milk procurement, processing, quality assurance, value addition, branding, packaging, marketing, transportation and storage of milk and milk products. Exports of dairy products within the comprehensive objectives of 'Doubling the farmers income' and 'Atmanirbhar Bharat' will also be covered. The scheme with a total investment of Rs. 5,000 crore (US\$ 667.26 million) will be implemented by NCDC under the Ministry of Cooperation.

➤ **Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PM FME)**

Outlay of Rs. 10,000 crore (US\$ 1.34 billion) over a period of five years from FY21 to FY25. The sector has been assigned a priority status for bank credit. Implemented in 707 districts for 35 states and union territories 60 Agri Export Zones (AEZ) have been set up across the country. 11 banks are official lending partners under this scheme.

➤ **APMC farmers go cashless**

The Electronic National Agriculture Market (e-NAM), which was launched in April 2016 to create a unified national market for agricultural commodities by networking existing APMCs. It had 16.9 million farmers and 157,778 traders registered on its platform until February 2021. Over 1,000 mandis in India are already linked to e-NAM and 22,000 additional mandis are expected to be linked by 2021-22.

➤ **Digital Agriculture Mission**

The Indian government has initiated Digital Agriculture Mission for 2021-25 for agriculture projects based on new technologies such as artificial intelligence, block chain, remote sensing and GIS technology, drones, robots and others.

➤ **Krishi UDAN 2.0**

Ministry of Civil Aviation launched the Krishi UDAN 2.0 scheme in October 2021. The scheme proposes assistance and incentive for movement of agri-produce by air transportation. The Krishi UDAN 2.0 will be implemented at 53 airports across the country largely focusing on Northeast and tribal regions and is expected to benefit farmers, freight forwarders and airlines.

➤ **Focus on infrastructure**

The sector has been assigned a priority status for bank credit. 60 Agri Export Zones (AEZ) have been set up across the country. Between FY15-20, around 1303 cold storages with 45 lakh tonnes have been established. In May 2020, Government announced the launch of animal husbandry infrastructure development fund of Rs. 15,000 crore (US\$ 2.13 billion).

➤ **National Mission on Food Processing**

Ministry of Food Processing Industries (MOFPI) launched a new centrally sponsored scheme (CSS), National Mission on Food Processing, to promote facilities for post-harvest operations, including setting up of food processing industries in India. In Union Budget 2019-20, the Government announced to spend Rs. 110 crore (US\$ 15.74 million) in Union Territories only.

➤ **Agricultural Pump Power Policy**

Announced in December 2020. As of March 2021, a total of 582,114 farmers in Maharashtra have paid the arrears of agricultural pump electricity bills amounting to Rs. 511.26 crore (US\$ 63.37 million).

➤ **Pradhan Mantri Fasal Bima Yojana (PMFBY)**

Aims to support sustainable production in agriculture by providing financial support to farmers who have incurred crop losses/damages due to unforeseen events. This will help stabilise the income of farmers, ensure continuance in farming, encourage them to adopt innovative and modern agricultural practices and ensure flow of credit to the agriculture sector.

➤ **Paramparagat Krishi Vikas Yojana (PKVY)**

An extended component of Soil Health Management (SHM) under the Centrally Sponsored Scheme (CSS), National Mission on Sustainable Agriculture (NMSA). PKVY aims at supporting and promoting organic farming, in turn resulting in improvement of soil health.

➤ **National Agriculture Market (e-NAM) Scheme**

National Agriculture Market (eNAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. Integration of APMCs across the country through a common online market platform to facilitate pan-India trade in agriculture commodities, providing better price discovery through transparent auction process based on quality of produce along with timely online payment.

➤ **PM Matsya Sampada Yojana**

PM Matsya Sampada Yojana with targeted investment of Rs.6,000 crore (US\$ 729 million) to be launched to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.

➤ **Soil Health Card Scheme**

This scheme has been introduced to assist State Governments to issue Soil Health Cards to all farmers in the country. The Soil Health Cards provide information to farmers on nutrient status of their soil along with recommendation on appropriate dosage of nutrients to be applied for improving soil health and its fertility.

➤ **Pradhan Mantri Fasal Bima Yojana (PMFBY) & Restructured Weather Based Crop Insurance scheme (RWBCIS)**

These schemes aim to provide comprehensive crop insurance coverage from pre-sowing to post harvest losses against non-preventable natural risks. These schemes are only risk mitigation tools available to farmers at extremely low premium rates payable by farmers.

([https://www.ibef.org/download/1690789236\\_Agriculture\\_and\\_Allied\\_Industries-May-2023.pdf](https://www.ibef.org/download/1690789236_Agriculture_and_Allied_Industries-May-2023.pdf))

**Government initiatives**

Rz`s. 2.37 lakh crore (US\$ 30.37 billion) direct payments would be provided to 1.63 crore farmers for procurement of wheat and paddy. In 2022, the Indian government is planning to launch Kisan Drones for crop assessment, digitization of land records, spraying of insecticides and nutrients. Rs. 1.24 lakh crore (US\$ 15.9 billion) has been allocated to Department of Agriculture, Cooperation and Farmers' Welfare. The present procurement operations as of 2021 have already benefited ~4.91 million farmers, with an MSP (minimum support price) of US\$ 11.51 billion. The Indian government is planning to increase the number of primary agriculture cooperatives from 60,000 to 3 lakh until 2026. The Agriculture Ministry would offer agricultural institutes with a grant of up to Rs. 10 lakh (US\$ 13,175) for the procurement of drones. In October 2021, the Union Ministry of Agriculture and Farmers Welfare announced that 820,600 seed mini-kits will be distributed free of cost in 343 identified districts across 15 major producing states under a special programme. This programme is likely to boost production and productivity by speeding up the seed replacement rate and subsequently, help in increasing farmer's income. In September 2021, the Union Minister for Agriculture and Farmers' Welfare Mr. Narendra Singh Tomar launched 'Amul Honey – a product of Gujarat Cooperative Milk Marketing Federation Ltd. (GCMMF)' along with the 'National Bee Board (NBB)'. In September 2021, the Union Ministry of Agriculture and Farmers' Welfare signed five MoUs with CISCO, Ninjacart, Jio Platforms Limited, ITC Limited and NCDEX e-Markets Limited. This MoU will have five pilot projects, which will help farmers make decisions on the kind of crops to grow, variety of seeds to use and best practices to adopt to maximise yield. In September 2021, Prime Minister Mr. Narendra Modi launched 35 crop varieties with special traits such as climate resilience and higher nutrient content. From 2017 to 2020, India received ~US\$ 1 billion in agri-tech funding. With significant interest from investors, India ranks third in terms of agri-tech funding and number of agri-tech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US\$ 30-35 billion hed US\$ 190 million.

([https://www.ibef.org/download/1690789236\\_Agriculture\\_and\\_Allied\\_Industries-May-2023.pdf](https://www.ibef.org/download/1690789236_Agriculture_and_Allied_Industries-May-2023.pdf))

In March 2021, the Union Cabinet, chaired by Prime Minister Mr. Narendra Modi, approved a memorandum of understanding (MoU) between the Ministry of Agriculture and Farmers' Welfare of India and the Ministry of Agriculture of Fiji for co-operation in the field of agriculture and allied sectors. In October 2020, the Tribal Cooperative Marketing Development Federation of India (TRIFED) included 100 new Forest Fresh Organic Products sourced from tribes across India on its e-marketplace (tribesindia.com). In October 2020, Agri-lender

Nabard (National Bank for Agriculture and Rural Development) proposed plans to set up a subsidiary to provide guarantee for loans under agriculture and rural development. In October 2020, the government announced that it is putting up a common data infrastructure for farmers in the country. PMFBY (Pradhan Mantri Fasal Bima Yojana), PM-Kisan and the Soil Health Card will be integrated through a common database, along with land record details. In September 2020, National Cooperative Development Corporation (NCDC) sanctioned Rs.19,444 crore (US\$ 2.7 billion), as the first instalment, to Chhattisgarh, Haryana and Telangana for kharif paddy procurement under minimum support price (MSP) operations. In September 2020, the government launched the PM Matsya Sampada Yojana, e-Gopala App and several initiatives in fisheries production, dairy, animal husbandry and agriculture. Under this scheme, an investment of Rs. 20,000 crore (US\$ 2.7 billion) will be made in the next 4-5 years in 21 states. In May 2020, the Government of India announced an infrastructure development fund of Rs. 15,000 crore (US\$ 2.31 billion) to promote investments by private players and MSMEs in segments such as dairy, meat processing and animal feed plants. Allocation of US\$ 3.9 billion for RFID, US\$ 234 million for long-term rural credit fund, US\$ 7.03 billion for short-term cooperative rural credit finance fund, and US\$ 3.9 billion for short-term RRB refinance fund. Food Processing Industries have taken few initiatives for developing the food processing sector that would enhance the exports of agro and processed foods and income of farmers. The Agricultural Technology Management Agency (ATMA) Scheme has been implemented in 704 districts across 28 states and 5 UTs to educate farmers. Grants-in-aid are released to the State Government under the scheme with the goal of supporting State Governments' efforts to make available the latest agricultural technologies and good agricultural practices in various thematic areas of agriculture and allied sector. The Government is planning to invest US\$ 8 billion to revive four fertilizer plants and setting up two plants to produce farm nutrients. Since its inception, i.e. from 01.04.2001 to 31.12.2022, a total of 42164 storage infrastructure projects (Godowns) with a capacity of 740.43 Lakh MT have been assisted in the country under the Agricultural Marketing Infrastructure (AMI) sub-scheme of the Integrated Scheme for Agricultural Marketing (ISAM).

([https://www.ibef.org/download/1690789236\\_Agriculture\\_and\\_Allied\\_Industries-May-2023.pdf](https://www.ibef.org/download/1690789236_Agriculture_and_Allied_Industries-May-2023.pdf))

To enhance the income of farmers, the government has taken initiatives across several focus areas. Income support is provided to farmers through PM KISAN Scheme, crop insurance is assured through the Pradhan Mantri Fasal Bima Yojana, and irrigation facilities are ensured under Pradhan Mantri Krishi Sinchai Yojana. Access to institutional credit is being provided through Kisan Credit Card and other channels. Under the e-NAM initiative, markets across the length and breadth of the nation are now open to farmers, to enable them to get more remunerative prices for their produce. Online, Competitive, Transparent Bidding System with 1.74 crore farmers and 2.39 lakh traders put in place under the National Agriculture Market (e-NAM) Scheme. The umbrella scheme Pradhan Mantri Annadata Aay Sanrakshana Abhiyan (PM-AASHA) ensures Minimum Support Price (MSP) to farmers for various Kharif and Rabi crops while also keeping a robust procurement mechanism in place. As per the Economic Survey 2022-23, US\$ 1.66 billion (Rs. 13,681 crore) sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund. In order to increase the level of food-processing industry and encouraging rural entrepreneurship across the country including rural areas, Ministry Food Processing Industries (MoFPI) is implementing Central Sector Umbrella Scheme Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Centrally sponsored PM Formalization of Micro Food Processing Enterprises (PMFME) Scheme. Under the centrally sponsored, Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme carried out by the Ministry of Food Processing Industries (MoFPI), One District One Product (ODOP) has been approved for 713 districts of 35 States/UTs out of all 766 districts across 36 States/UTs. Under the credit-linked subsidy component of the PMFME Scheme, 27,003 loans have been sanctioned in the country in 2022-23. Under component schemes of PMKSY, MoFPI mostly provides financial assistance in the form of grants-in-aid to entrepreneurs for creation of modern infrastructure and setting up of food processing / preservation industries including Cold Chains with associated infrastructure like primary processing facilities, collection centres, pre-conditioning, pre-cooling, ripening, packing etc. As per the Union Budget, 2023-24, A new sub-scheme of PM Matsya Sampada Yojana with targeted investment of Rs. 6,000 crore (US\$ 729 million) to be launched to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.

([https://www.ibef.org/download/1690789236\\_Agriculture\\_and\\_Allied\\_Industries-May-2023.pdf](https://www.ibef.org/download/1690789236_Agriculture_and_Allied_Industries-May-2023.pdf))

### **Highlights of Union Budget 2023-24**

Agriculture Accelerator Fund to be set-up to encourage agri-startups by young entrepreneurs in rural area which will aim at bringing innovative and affordable solutions for challenges faced by farmers. It will also bring in modern technologies to transform agricultural practices, increase productivity and profitability. To make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level. Rs. 20 lakh crore (US\$ 24.41 billion) agricultural credit targeted at animal husbandry, dairy and fisheries. A new sub-scheme of PM Matsya Sampada Yojana with targeted investment of Rs. 6,000 crore (US\$ 729 million) to be launched to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.

Massive decentralised storage capacity to be set up to help farmers store their produce and realize remunerative prices through sale at appropriate times. Computerisation of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of Rs. 2,516 crore (US\$ 305.9 million) initiated. Digital Public Infrastructure for Agriculture: agriculture will be built as an open source, open standard and interoperable public good. This will enable inclusive, farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for growth of agritech

industry and start-ups. To enhance the productivity of extra-long staple cotton, Government will adopt a cluster-based and value chain approach through Public Private Partnerships (PPP). This will mean collaboration between farmers, state and industry for input supplies, extension services, and market linkages.

([https://www.ibef.org/download/1690789236\\_Agriculture\\_and\\_Allied\\_Industries-May-2023.pdf](https://www.ibef.org/download/1690789236_Agriculture_and_Allied_Industries-May-2023.pdf))

## AUTO COMPONENTS - INDUSTRY SCENARIO

India has become the fastest-growing economy in the world in recent years. This fast growth, coupled with rising incomes, a boost in infrastructure spending and increased manufacturing incentives, has accelerated the automobile industry. The two-wheeler segment dominated the automobile industry because of the Indian middle class, with automobile sales standing at 19.45 million units in FY23. Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry.

India's auto component industry is an important sector driving macroeconomic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. The auto components industry accounted for 2.3% of India's GDP and provided direct employment to 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India's GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026. The industry is a leader in exports and provides jobs to over 3.7 crore people. From FY16-FY22, the industry registered a CAGR of 6.35% and was valued at US\$ 56.50 billion in FY22. The auto component industry exported US\$ 19 billion and imported US\$ 18.3 billion worth of components in 2021-22, resulting in the highest export surplus of US\$ 700 million. The component sales to OEMs in the domestic market grew by 46% to US\$ 27.27 billion (Rs. 2.23 lakh crore). Due to the high development prospects in all vehicle industry segments, the auto component sector is expected to see double-digit growth in FY22. The industry is expected to stand at US\$ 200 billion by FY26.

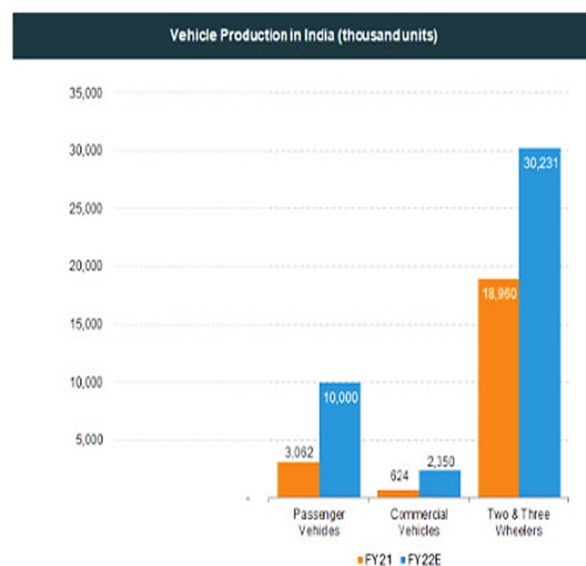
India's auto components industry's market share has significantly expanded, led by increasing demand for automobiles by the growing middle class and exports globally. Due to the remarkable growth in demand for Indian auto components, several Indian and international players have entered the industry. India's auto component industry is broadly classified into organised and unorganised sectors. While the unorganised sector consists of low-valued items and mostly serves the aftermarket category, the organised sector serves OEMs and includes high-value precision instruments.

The turnover of the automotive component industry grew 34.8% to Rs. 2.65 lakh crore (US\$ 33.8 billion) during April-September 2022 compared to the first half of the previous year. Moreover, the auto component exports increased by 8.6% in H123 to US\$ 10.1 billion (Rs. 79,033 crore) from US\$ 9.3 billion (Rs. 68,746 crore) in H1 2021-22.

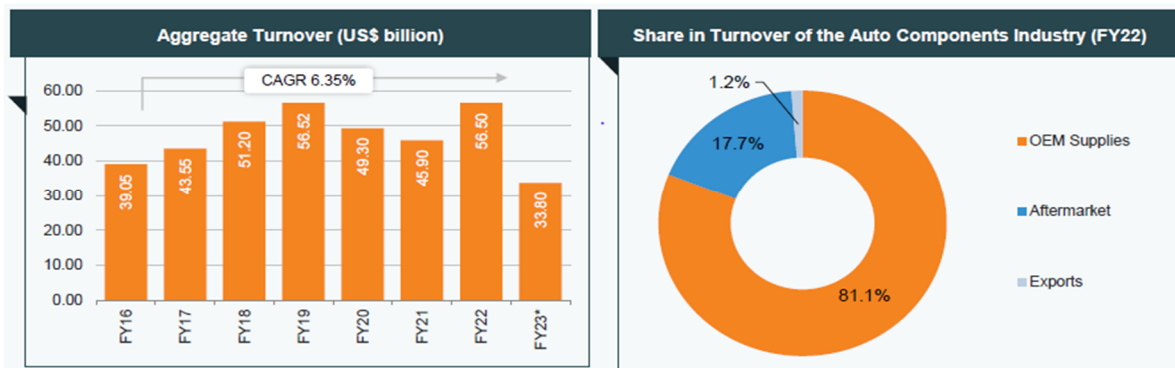
As per the Automobile Component Manufacturers Association (ACMA) forecast, auto component exports from India is expected to reach US\$ 30 billion by 2026. The auto component industry is projected to record US\$ 200 billion in revenue by 2026. Strong international demand and resurgence in the local original equipment and aftermarket segments are predicted to help the auto component industry grow 20-23% in FY22.

### Market Overview of the Sector

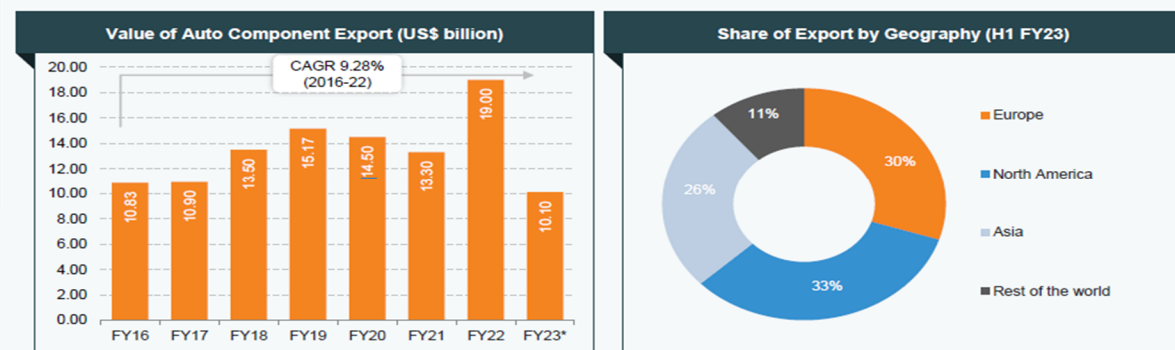
The automobile component industry turnover stood at Rs. 4.20 lakh crore (US\$ 56.5 billion) between April 2021-March 2022 the industry had revenue growth of 23% as compared to 2020-21. The turnover of the automotive component industry grew 34.8% to Rs. 2.65 lakh crore (US\$ 33.8 billion) during April-September 2022 compared to the first half of the previous year. Domestic OEM supplies contributed ~81.1% to the industry's turnover, followed by domestic aftermarket (~17.7%) and exports (~1.2%), in FY22. The component sales to OEMs in the domestic market grew by 46% to US\$ 27.27 billion (Rs. 2.23 lakh crore). Between April 2021-March 2022, exports of auto components grew by 42.9% to Rs. 141,550 crore (US\$ 19 billion). As per the Automobile Component Manufacturers Association (ACMA) forecast, automobile component exports from India is expected to reach US\$ 30 billion by 2026. In FY22, India's auto component Industry for the first time reached a trade surplus of US\$ 700 million. The aftermarket for auto components grew by 15% in 2021-22 reaching Rs. 74,203 crore (US\$ 10.0 billion), up from Rs. 64,524 crore (US\$ 8.7 billion) in 2020-21.



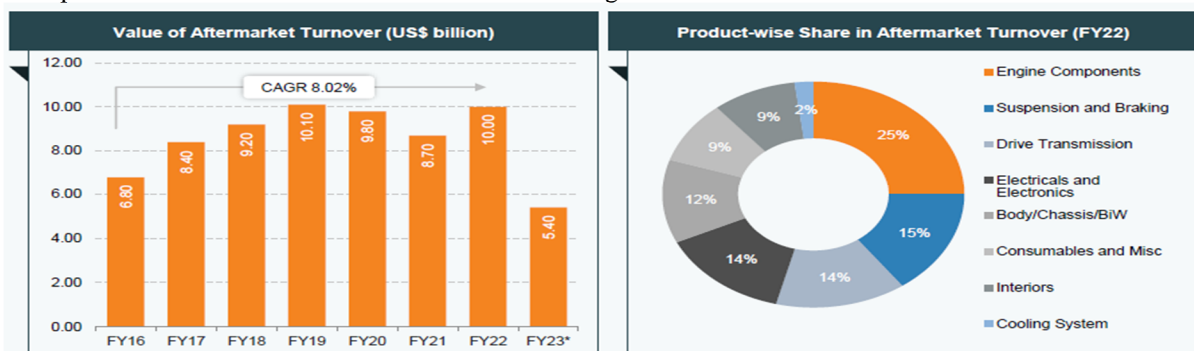




Exports of automobile components from India increased, at a CAGR of 11.89%, from US\$ 10.83 billion in FY16 to US\$ 19 billion in FY22. Exports of auto components grew by 43% to Rs. 1.41 lakh crore (US\$ 19 billion) in 2021-22 from Rs. 0.98 lakh crore (US\$ 13.3 billion) in 2020-21. Europe accounted for 31% volume share of the total auto component export, followed by North America (32%) and Asia (25%) of the total auto component export. Auto component exports increased by 8.6% in H123 to US\$ 9.6 billion (Rs. 79,033 crore) from US\$ 8.3 billion (Rs. 68,746 crore) in H1 2021-22. North America, which accounts for 33% of total exports, increased by 12%, while Europe and Asia, which account for 30% and 26% of total exports, increased by 4% and 11%, respectively.



By 2026, the automotive aftermarket segment in India is expected to reach US\$ 32 billion. India's auto components aftermarket witnessed a 15% growth from US\$ 8.70 billion in FY21 to US\$ 10 billion in FY22. In H1 2022-23, the aftermarket witnessed a growth of 8% to US\$ 5.1 billion (Rs. 42,007 crore) from US\$ 4.7 billion (Rs. 38,895 crore) in H1 2021-22. Aftermarket turnover increased at a CAGR of 8.02% from US\$ 8.70 billion in FY16 to US\$ 10 billion in FY22 and is expected to reach US\$ 32 billion by 2026. The 'Drive Transmission and Steering' product category accounted for 21% of the aftermarket share followed by 'Engine Components', and 'Electricals and Electronic Components' with 19% and 18%, respectively. To support local auto parts suppliers, the auto component sector has tied up with Tesla to manufacture electric vehicles in August 2021.



**Notes:** \* - April 2022- September 2022; H1 FY23 – April 2022-September 2022  
(Source: ACMA)

### Recent Trends and Strategies

#### ➤ Global components sourcing hub

Major global OEMs have made India a component sourcing hub for their global operations. Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries. India is also emerging as a sourcing hub for engine components with OEMs increasingly setting up engine manufacturing units in the country. The aggregate CAPEX outlay for the OEMs is estimated

to remain high at US\$ 7.95 billion (Rs. 650 billion) over 2023-2025. For companies like Ford, Fiat, Suzuki and General Motors (GM), India has established itself as a global hub for small engines. Varroc Lighting Systems (VLS) is supplying the complete exterior lighting solutions for Tesla Model S sedan and the Tesla Model X crossover.

#### ➤ **Improving product-development capabilities**

In February 2023, Bridgestone India, a global leader in tyres and sustainable mobility solutions, announced that it would be investing over US\$ 73.39 million (Rs. 600 crore) to meet the increasing demand for quality passenger tyres in the country. In January 2023, NXP Semiconductors inaugurated a new state-of-the-art Systems & Silicon Innovation lab at NXP Semiconductors Campus in Manyata Tech Park, Bengaluru. In November 2022, Continental Tires, a leading premium tyre manufacturer inaugurates Its First Commercial Vehicle Alignment Center in Jaipur. Increased investments in setting-up R&D operations & laboratories to conduct activities such as analysis, simulation & engineering animations. The growth of global OEM sourcing from India & increased indigenisation of global OEMs are turning the country into a preferred designing & manufacturing base. In October 2022, auto components maker Minda Corporation announced its partnership with South Korean firm Daesung Eltec, to bring in next-generation advanced driver system solutions to India. In June 2022, German auto component major ZF inaugurated and expanded its new Tech center in India. In March 2022, Minister of State for Power and Heavy Industries Mr. Krishan Pal Gurjar said that Indian and foreign automobile manufacturers have taken initiatives to develop hydrogen fuel cell vehicles.

#### ➤ **Route to expansion**

In February 2022, the government has received investments proposal worth Rs. 45,016 crore (US\$ 6.04 billion) from 20 automotive companies under the PLI Auto scheme. This scheme is expected to create an incremental output of Rs. 2, 31,500 crore (US\$ 31.08 billion). In 2022-23, Tamil Nadu attracted investment proposals worth US\$ 2.20 billion (Rs. 18,063 crore) Tamil Nadu is capitalizing on its previous automotive expertise to enter the EV industry. In November 2022, auto components maker Sona BLW precision forgings ltd. announced its plans to increase capex by Rs. 1,000 crore (US\$ 123.28 million) for its electric vehicles business. In December 2021, Tata Motors has lined up investments worth more than US\$ 1 billion in the next 4-5 years for its commercial vehicle business. German auto component major ZF has doubled down on India with an investment of €200 million (US\$ 214.10 million). To meet India's electric vehicle (EV) ambition, a cumulative investment of US\$ 180 billion will be required for vehicle production and charging infrastructure by 2030.

#### ➤ **New strategies**

The Indian government is exempting imports of capital goods and machinery essential for the production of lithium-ion cells used in EV batteries from customs duty. Both Indian & global manufacturers are investing in new capacities & newer programmes to get long term advantage. As markets in North, West & South of India are getting saturated, component manufacturers are eyeing untapped markets in the Northeast region of the country. In December 2021, MG motor India was exploring export opportunities in UK and South Africa. The company has plans to make India as an export hub. In October 2021, TVS Motor Company, collaborated with Tata Power, to boost the comprehensive implementation of electric vehicle charging infrastructure (EVCi) across India and deploy solar-powered technologies at various TVS Motor locations.

#### ➤ **Diversification**

Many Indian firms specialising in only one product market or segment are looking to diversify in segments like two wheelers, passenger cars or commercial vehicles. They are stepping up their product development capabilities in order to have the best chance of capturing growth opportunity.

#### ➤ **Capacity**

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

#### ➤ **IPO Listing**

Auto component manufacturing companies are entering the equity market to raise capital. In March 2021, auto component makers, Craftsman Automation and Rolex Rings Ltd. listed their IPOs in the stock exchange.

### ***Growth Drivers***

#### **1. Demand-Side Drivers**



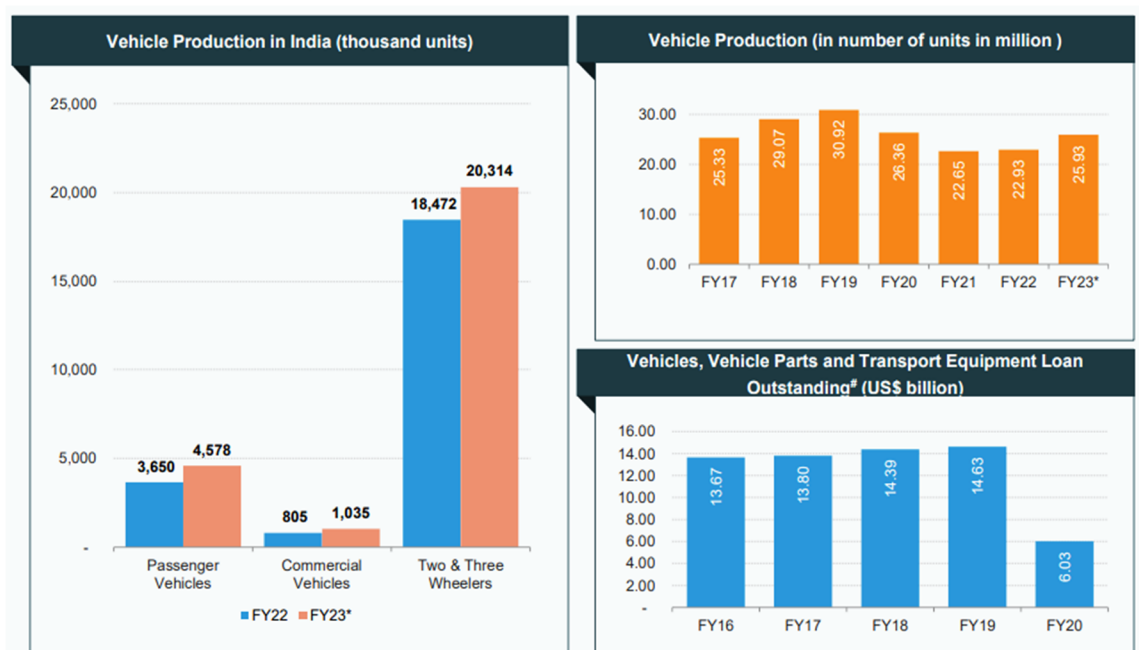
- Robust growth in domestic automotive industry
- Increase in investment in road infrastructure
- Growth in working population & middleclass income will drive the market
- With the Self-Reliant India mission, the auto industry is looking to half its Rs. 1 trillion (US\$ 13.6 billion) worth of auto component imports over the next 4-5 years. This will provide significant opportunities for existing and new auto components players to scale up.

## 2. Supply-Side Drivers

- Competitive advantage facilitating emergence of outsourcing hub.
- Technological shift and focus on R&D

## 3. Policy Support

- Establishing special auto parks & virtual SEZs for auto components
- Lower excise duty on specific parts of hybrid vehicles
- Policies such as Automotive Mission Plan 2016-26, Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME, April 2015) and NMEM 2020 are likely to infuse growth in the auto component sector of the country
- PLI schemes has been extended to the automobile sector with an aim of creating an incremental output of Rs. 2,31,500 crore ( US\$ 31.08 billion).
- The Government announced National Mission on Transformative Mobility and Battery Storage based on phased manufacturing program (PMP) until 2024



Note: #Loan outstanding at the end of the financial year ; (\* - BMW, Mercedes & Volvo Auto data are not available for passenger vehicles and Daimler, JBM Auto & Scania data are not available for commercial vehicles for FY23).

(Source: [https://www.ibef.org/download/1690789335\\_Auto-Components-May-2023.pdf](https://www.ibef.org/download/1690789335_Auto-Components-May-2023.pdf))

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means New Swan Multitech Limited.*

*References herein to “we”, “our” and “us” are to New Swan Multitech Limited and, as the context requires, joint ventures. The discussion below may contain forward-looking statements and reflects our current views with respect to future events and financial performance, which are subject to numerous risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read “**Risk Factors**” and “**Forward Looking Statements**” beginning on pages 22 and 17 of this Draft Red Herring Prospectus, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*All financial information included herein is based on our “**Financial information of the Company**” included on page 141 of this Draft Red Herring Prospectus.*

Incorporated in 2014, we are an engineering-led manufacturer of (i) complex and critical precision engineered components and parts used in automotive sector (“**auto components**”) and (ii) agricultural farm machineries designed to meet the diverse needs of modern farming (“**agricultural implements**”). Within the automotive sector, we manufacture, procure and supply a range of precision machined tubular assemblies, welded assemblies, precision brackets and sheet metal parts. Our wide range of offerings in this segment includes link assembly engine hangers, hinge body covers, front cover stay components, seat catch components, fuel filler cap components, main stand complete assemblies, front fender stay assemblies, engine guard plates, rear brake arm assemblies, separator breather, cable guide assemblies, battery tray components and many other parts, that are critical for the two-wheeler vehicles and various type of brackets such as cooling recovery reservoir brackets, exhaust tailpipe brackets, fuse block brackets, floor panel brackets, air cleaner inlet hose brackets for the passenger car vehicles.

Within the agricultural implements sector, we design, manufacture and supply a comprehensive range of agricultural implements that cater to different aspects of farming such as soil preparation, sowing, crop management, harvesting and crop residue management. Our wide range of offering in this segment includes various type of rotovators, seeders, super seeders, weeders, potato planter, potato digger, fertilizer spreader, mulcher, puddler, laser land leveller, disc ploughs and many other agricultural implements. We manufacture agricultural implements from our manufacturing unit located at Village Raian, Ludhiana, Punjab. The said unit was established in F.Y. 2014-15 and is located at a plot area of 6.74 acres, and is equipped with various machineries such as Broach Machine, Center Facing Machine, Beam Furnace, Deburring Machine, Gear Hobbing, Gear Shaver, Hydraulic Press, Laser Machine, Milling Machine, Plasma Machine, Power Grid, Cylindrical Grinder Machine, Drill Machines, Diameter Grinder, Laser Marking Machine etc. For Fiscal 2023, our revenue from operations were Rs. 15,116.04 Lakhs of which we derived 60.70% of revenue from auto components segment and 37.13% from agricultural implements segment.

The auto components are manufactured from our manufacturing unit based at Village Vithlapur, Ahmedabad, Gujarat, which was established in F.Y. 2015-16. The said unit is located at a plot area of 10 acres and is equipped with various machineries such as Robotic Welding Machines, lathe machine, surface grinder machine, press machine, paint shop setup etc. Our products are subject to stringent quality checks and testing in laboratories at our facilities. We have well-equipped laboratory, modern technology and testing equipment’s with supporting environment and facilities, to ensure that the products conform with the desired quality. Our R&D capabilities include in-house tool designing, design simulation, prototyping and testing abilities such as CMM (Faro Arm 6 Axis-3D), Weld Penetration, Universal Testing Machine, Salt Spray Testing Machine, Humidity Testing Machine, Hardness Tester. We also procure certain of the auto-components in the finished and unfinished form (bought out parts) from our Promoter Group entity, M/s New Swan Enterprises which includes fuel cap & bracket for seat latch, stay stopper rubber, body cover, plate engine guards, side stand and various other items.

As on date of this DRHP, our product portfolio has over 300 SKU’s of agricultural implements and auto components. We also own 5 design registrations relating to our agricultural implements i.e. Mulcher, power weeder, crop planter, potato harvester and potato planter which are registered with the Patent Office, Government of India. In automotive segment, we supply most of our products directly to OEMs in finished (machined) condition. In the two-wheeler vertical, we have relationship spanning over 6 years with Honda Motorcycle and Scooter India (“HMSI”), which is our largest customer in terms of revenue for Fiscal 2023, over 3 years with MG Motors to which we supply passenger car components and over 3 years with Mahindra & Mahindra to which we supply agricultural implements. Within the domain of agricultural implements, our product distribution encompasses an extensive network of over 200 dealers, covering 11 states in India. Our reach also extends to supplying agricultural implements to notable OEMs such as Mahindra & Mahindra, John Deere

India Pvt. Ltd. etc. We also export our agricultural implements to countries like Mauritius, Russia, Kazakhstan, South Africa, Sudan and Nepal. In fiscal 2023 and 2022, we derived 2.08% and 1.39% of our revenue from exports.



**AGRO UNIT LOCATED AT LUDHIANA**

**AUTOMOTIVE UNIT LOCATED AT VITHLAPUR**



Our Promoter and CMD, Mr. Upkar Singh, possess 38 years of experience in the auto components industry and within this tenure, he has acquired approximately 9 years of experience in the agricultural implements sector. Similarly, Mr. Kanwardeep Singh, our Executive Director and Promoter, has 30 years of experience in the auto components industry (which includes 9 years in agricultural implements). Additionally, our Promoter and Whole Time Director, Mr. Barunpreet Singh Ahuja, bring over 12 years of expertise in the auto components industry (including 9 years in agricultural implements). We have benefited immensely from the vast experience of our promoters on account of their sound knowledge of the industry, high contacts with clients and suppliers and better decision-making power. Our top management team is supported with adequate technical, managerial and commercial team having relevant experience which help us to achieve the organizational goals.

#### **Key Performance Indicators of our Company**

(Rs. in lakhs)

Key Financial Performance	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	15,116.04	14,546.71	14,947.45
EBITDA <sup>(2)</sup>	2,022.34	1,149.28	1,061.56
EBITDA Margin <sup>(3)</sup>	13.38%	7.90%	7.10%
PAT <sup>(4)</sup>	991.93	363.14	342.63
PAT Margin <sup>(5)</sup>	6.56%	2.50%	2.29%
RoE(% ) <sup>(6)</sup>	33.27%	18.25%	21.06%
RoCE (%) <sup>(7)</sup>	24.86%	12.64%	12.56%

**Notes:**

- <sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements
- <sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- <sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- <sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- <sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- <sup>(6)</sup>Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- <sup>(7)</sup>Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

**Our Competitive Strengths*****In-house Manufacturing capabilities***

As on the date of this Draft Red Herring Prospectus we have two manufacturing units. Our Automotive manufacturing facility is located at Survey No. 351 Village Vithlapur, Ahmedabad, Gujarat and agricultural implements manufacturing unit is located at Kohara Machiwara Road, Village Raian, Ludhiana, Punjab. The said manufacturing premises are owned by us. The in-house manufacturing operations enable us to stream line inventory management and production process resulting into maintenance of high-quality production standards, minimizing production time and bringing cost effectiveness.

***Large base of dealers and customers along with strong relationship***

Within the domain of agricultural implements, our product distribution encompasses an extensive network of over 200 dealers, covering 11 states in India i.e. Punjab, Rajasthan, Jammu & Kashmir, Karnataka, Tamil Nadu, Haryana, Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand and Maharashtra. In addition, we have entered into product supply agreements with Mahindra and Mahindra Limited and John Deere India Private Limited. In the two-wheeler vertical, we have relationship spanning over 6 years with Honda Motorcycle and Scooter India ("HMSI"), which is our largest customer in terms of revenue for Fiscal 2023, over 3 years with MG Motors to which we supply passenger car components and over 3 years with Mahindra & Mahindra to which we supply agricultural implements. Maintaining strong relationships with our key customers is essential to our business strategy and to the growth of our business. Owing to our strong customer relationships, we have been able to retain a number of our customers for a long period of time ensuring uninterrupted supplies of our products to them and retain them for a long period of time.

***Wide Range of Products***

As on date of this DRHP, we have two manufacturing units engaged in the production of Auto components and agricultural implements. Our wide range of offering in agricultural implements segment includes various type of rotovators, seeders, super seeders, weeders, potato planter, potato digger, fertilizer spreader, mulcher, puddler, laser land leveller, disc ploughs etc. We also own 5 design registrations relating to our agricultural implements i.e. Mulcher, power weeder, crop planter, potato harvester and potato planter which are registered with the Patent Office, Government of India. Within the automotive sector, we offer a wide range of precision forged & machined tubular assemblies, welded assemblies, precision brackets and sheet metal parts such as link assembly engine hangers, hinge body covers, front cover stay components, seat catch components, fuel filler cap components, main stand complete assemblies, front fender stay assemblies, engine guard plates, rear brake arm assemblies, separator breather, cable guide assemblies, battery tray components and many other parts. Our product portfolio is the combination of two different type of manufacturing industry, which helps us to expand our business to existing customers as well as to potential new customers.

***Stringent quality control mechanism ensuring standardized product quality***

We employ an extensive and stringent quality control mechanism during the manufacturing of products. This involves range of tests for our auto-components, including CMM (FARO Arm 6 Axis-3D), Weld Penetration, Universal Testing Machine, Salt Spray Testing Machine, Humidity Testing Machine, and Hardness Tester. Further, for agricultural implements, we conduct specific tests like the leakage test, RPM test, temperature test, sound testing, and hardness testing to ensure that our final products meet the required quality standards. Our manufacturing facilities has personnel responsible for monitoring the parameters of machineries, output stability, reporting any irregularities in the manufacturing process and making adjustments accordingly. These levels of quality tests and checks ensure maintenance of quality of products. We believe that our focus on quality of products has enabled us to sustain and grow our business model to benefit our customers.

***Synergy of young and experienced management team with a committed employee base***

We are headed by our Promoter, Chairman and Managing Director, Mr. Upkar Singh, who brings a wealth of experience to our company. Mr. Singh boasts an impressive 38 years in the auto components industry and within this tenure, he has acquired approximately 9 years of experience in the agricultural implements sector. He possesses deep insights into our company's operations and actively participates in its day-to-day management. Complementing Mr. Singh's leadership is Mr. Barunpreet Singh Ahuja, our Wholetime Director, who joined our business in 2014. With 12 years of experience in the auto components industry including 9 years in Agricultural implements, he plays a pivotal role in introducing new product categories and expanding our dealer network nationwide. Adding to our leadership's strength is Mr. Kanwardeep Singh, who brings 30 years of experience in the auto components industry and 9 years in agricultural implements.

We are backed by a synergized crew of experienced and young support team which has been built up over the years and has been contributory in achieving the goals of our Company. Our key business functions like sales, production, finance, HR and supply chain play key role in efficient day-to-day operations of the Company. We endeavour to maintain a balance of experienced and young professionals in the team. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities. For details regarding the Key Managerial Personnel, please refer to chapter titled ***"Our Management"*** on page 123 of this Draft Red Herring Prospectus.

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

#### ***Continue to invest in our technological capabilities***

We intend to enhance our manufacturing capabilities of agricultural implements through three key initiatives. Firstly, we intend to bring production for deep-drawn parts in-house using a hydraulic press machine, expecting cost savings and improved quality. Secondly, we intend to install four power press machines to automate rototvator assembly, boosting productivity and reducing handling costs. Thirdly, we intend to acquire another Fiber Laser machine will not only increase production capacity but also serve as a valuable contingency plan for precision cutting of steel plates used in various farm machinery. Thus, going forward, we intend to continue making investments in capacity expansions and modernization of our equipment and facilities. For further details, please refer to Chapter titled ***"Objects of the Issue"*** on page 65 of this DRHP.

#### ***Expand our domestic presence in existing and new markets***

Our Company has constantly expanded the dealer's network across the country and this continues to be one of the core strategies of the Company to further expand the dealers' network. Having a wider product portfolio provides confidence to new dealers to engage with our Company. While we believe in growing the dealer's network, proper area marking and financial credibility check is done before appointing a dealer to ensure a good service and reputation in the market without hurting our existing channel. Going forward we intend to focus on current markets to increase our customer base and to tap new market and increase our geographical reach and customer base.

#### ***Geographical reach through marketing network***

We distribute our products in approximately 19 states and Union Territories throughout India. In Fiscal 2023, the largest share of our revenue, accounting for 54.47%, originated from Gujarat, followed by Maharashtra at 15.31%, Punjab at 12.50%, and Karnataka at 8.04%. The remaining states, including Uttar Pradesh, Madhya Pradesh, Bihar, Tamil Nadu, Rajasthan, and others, collectively contributed to the remaining portion of our revenue. We also export our products to countries such as Mauritius, Russia, Kazakhstan, South Africa, Sudan and Nepal. We propose to expand our domestic and international market presence by expanding our sales and distribution network. To augment our efforts in increase in sales of our products, we intend to deploy additional field force consisting of sales and marketing representatives who shall meet our customers/ prospective customers to market our products. We believe that enhancing our presence in additional regions will enable us to reach out to larger population.

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

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both dealer and end user point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with them.

#### ***Maintaining cordial relationship with our Suppliers, Customer and employees***

We believe in maintaining good relationship with our suppliers, customers and employees which are the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships with our existing customers over a number of years. Further, we believe that establishing strong, mutually beneficial long-



term relationships with strategic suppliers is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

## **PRODUCT PORTFOLIO**

**Agricultural implements Division:** Our wide range of offering in this segment includes various type of rotovators, seeders, super seeders, weeders, potato planter, potato digger, fertilizer spreader, mulcher, puddler, laser land leveller, disc ploughs and many other agricultural implements.

**Rotavators:** A rotavator is a farm equipment used for land preparation. The rotavator machine is drawn by a tractor and utilized for a variety of purposes that include removing residues of past crops in a field, preparing the soil for the next crop, and levelling the earth for sowing the seeds. There are multiple functions of a rotavator in agriculture such as:-

- Breaking up the soil Levelling the earth
- Preparing the seedbeds
- Tilling the land
- Removing previous crop residue
- Removing weeds from the ground

Some of our products in agricultural implements division:-



**Rotovator**



**Potato Harvester/Digger**



**Super Seeder**



**Puddler**



**Potato Planter**



**Roto Seeder**



**Laser Leveller**



**Disc Plough**

### **Automotive Components Division**

Within the automotive sector, we manufacture, procure and supply a range of precision machined tubular assemblies, welded assemblies, precision brackets and sheet metal parts. Our wide range of offerings in this segment includes link assembly engine hangers, hinge body covers, front cover stay components, seat catch components, fuel filler cap components, main stand complete assemblies, front fender stay assemblies, engine guard plates, rear brake arm assemblies, separator breather, cable guide assemblies, battery tray components and many other parts, that are critical for the two-wheeler vehicles and various type of brackets such as cooling recovery reservoir brackets, exhaust tailpipe brackets, fuse block brackets, floor panel brackets, air cleaner inlet hose brackets for the passenger car vehicles. We also procure certain of the auto-components in the finished form (bought out parts) from our Promoter Group entity, M/s New Swan Enterprises which includes fuel cap & bracket for seat latch, stay stopper rubber, body cover, plate engine guards, side stand and various other components/parts. For Fiscal 2023, our total purchase from New Swan Enterprises were Rs. 4539.42 lakhs which constituted 44.48% of our total purchase for the said fiscal year, which included products in finished and unfinished form (bought out parts).

### **Some of our products in auto components division:**





Hing Body Cover



Stay Comp. Fr. Cover



Stay Comp. Fr. Fender



Bar Comp. Side Stand



Link Engine Hanger



Seat Catch Comp



Catch Comp. Fuel Lid



Stand Comp. Main



Separator, Breather



Stay Comp, Head Light



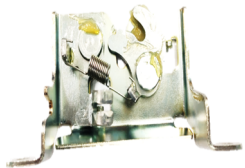
Pillion Step R Sub Assembly



Link Engine Hanger



Seat Catch Comp



Catch Comp. Fuel Lid



Stay Comp,Fr Fender



Seat Catch Comp

Hinge,Body Cover

Plate L Cover



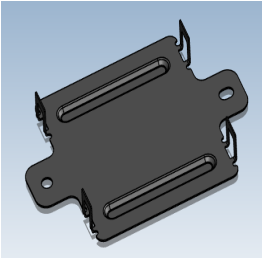
Stay L Floor Comp.



Pipe Fuel Cock Set



Plate Engine Guard



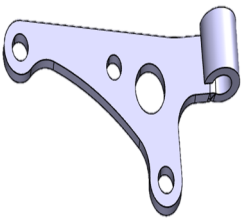
Starter Contl Unit



Clamp Canister Hose



Clip Acp Cord



Receiver, Clutch Cable



Pin Joint



Brkt Comp Unit Set



Washer, Plug, Drain



Fuel Pump



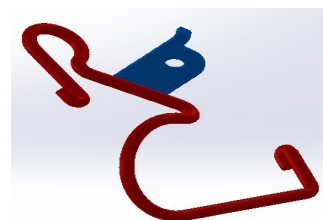
Guide Comp, Cable



Clip, Head Light



Bar, Fuel Lid Lock



Guide Comp, Cable

### **Process Flow of Agriculture Machineries and Implements**

Our Company is manufacturing variety of Agro Machinery products and our entire manufacturing area is categorized in various department based on activities and production line. The manufacturing process of agriculture machinery can vary depending on the type and complexity of the machinery being produced.

**1. Design and Engineering:**

The process begins with the design and engineering phase. Engineers and designers work together to create detailed plans and specifications for the machinery. This includes selecting appropriate materials, dimensions, and components.

**2. Material Procurement:**

Once the design is finalized, materials are sourced and procured. These materials include metals, plastics, rubber, electronics, and other components necessary for the machinery's construction.

**3. Cutting and Shaping:**

Raw materials are cut and shaped according to the design specifications. This can involve processes like cutting, bending, welding, and machining to create the various parts and components of the machinery.

**4. Assembly:**

Assembly is a critical phase where the individual parts are brought together to build the complete machinery. Skilled workers or automated assembly lines may be used for this purpose.

**5. Welding and Fabrication:**

Welding is often used in agriculture machinery manufacturing to join metal components together. Proper welding techniques are crucial to ensure the structural integrity of the machinery.

**6. Painting and Finishing:**

Once the machinery is assembled, it undergoes painting and finishing processes to protect it from corrosion and enhance its appearance. Powder coating or paint is applied as needed.

**7. Quality Control:**

Quality control checks are conducted throughout the manufacturing process. This includes inspections of individual components, assembly quality, and functionality testing to ensure that the machinery meets safety and performance standards.

**8. Testing:**

Depending on the type of machinery, it may undergo rigorous testing to ensure that it operates correctly.

**9. Packaging and Shipping:**

After passing all quality checks and tests, the machinery is packaged for shipment. Proper packaging is crucial to prevent damage during transportation.

### **Process Flow of Automotive products:**

Manufacturing automotive components involves a complex and multi-step process that can vary depending on the specific part being produced and the materials used. Here is a general overview of the manufacturing process for automotive components.

**1. Design and Engineering:**

The process begins with the design and engineering of the automotive component. This includes creating detailed CAD (Computer-Aided Design) models and performing simulations and analysis to ensure the component meets the required specifications and performance criteria.

**2. Material Selection:**

Selecting the appropriate materials for the component is crucial. Materials can range from various metals (e.g., steel, aluminum, and magnesium), plastics, composites, and more. Material properties must match the component's functional requirements and environmental conditions.

**3. Raw Material Preparation:**

Raw materials, such as metal billets, sheets, or plastic pellets, are acquired and prepared for processing. This involve cutting, shaping, or forming the materials into the desired initial shape.

**4. Machining:**

Machining processes like turning, milling, drilling, and grinding are used to shape the raw materials into the precise dimensions required for the component.

**5. Forming and Casting:**

For components with complex shapes, forming processes like forging, stamping, or casting are used.

**6. Heat Treatment:**

Many automotive components undergo heat treatment processes to improve their mechanical properties, such as hardness, strength, and durability.

**7. Welding and Joining:**

Some components require multiple parts to be joined together. Welding, brazing, or adhesive bonding are used to create strong and reliable connections.

**8. Surface Finishing:**

Automotive components often undergo surface finishing processes to improve aesthetics and protect against corrosion. These processes include painting, plating, powder coating or anodizing.

**9. Quality Control and Testing:**

Throughout the manufacturing process, quality control measures are implemented to ensure the component meets the required standards.

**10. Assembly:**

If the automotive component is part of a larger assembly, it may go through an assembly process where various components are put together to create the final product.

**11. Packaging and Shipping:**

Once the components pass quality control and assembly, they are packaged and prepared for shipment to the automotive assembly plant.

**PRODUCT WISE REVENUE BIFURCATION:**

(Rs. in lakhs)						
Particulars	F.Y. ended March 31, 2023	% of Revenue	F.Y. ended March 31, 2022	% of Revenue	F.Y. ended March 31, 2021	% of Revenue
<b>Revenue From Agricultural implements (A)</b>						
Rotavators	4,567.89	30.22%	4,550.98	31.29%	4,836.18	32.38%
Other Implements	700.58	4.63%	1,665.99	11.45%	2,404.96	16.10%
Spare Parts	344.63	2.28%	300.62	2.07%	359.01	2.40%
<b>Total Revenue(A)</b>	<b>5,613.10</b>	<b>37.13%</b>	<b>6,517.59</b>	<b>44.80%</b>	<b>7,600.15</b>	<b>50.88%</b>
<b>Revenue From Automotive Components (B)</b>						
Two Wheeler Parts	8,951.80	59.22%	7,507.00	51.61%	6,900.26	46.20%
Four Wheeler Parts	223.91	1.48%	188.41	1.30%	178.76	1.20%
<b>Total Revenue (B)</b>	<b>9,175.71</b>	<b>60.70%</b>	<b>7,695.41</b>	<b>52.90%</b>	<b>7,079.02</b>	<b>47.40%</b>

Particulars	F.Y. ended March 31, 2023	% of Revenue	F.Y. ended March 31, 2022	% of Revenue	F.Y. ended March 31, 2021	% of Revenue
Scrap from (A) and (B) : (C)	327.23	2.17%	333.71	2.29%	257.64	1.72%
Total Revenue from Operations (A) + (B) + (C)	15,116.04	100.00%	14,546.71	100.00%	14,936.81	100.00%

Note - Figures are based on standalone financial statements.

## **PLANT & MACHINERY**

Some of the major plant & machineries installed in our unit located at:-

**Agricultural implements unit at Village Raian, Ludhiana, Punjab** - Broach Machine, Center Facing Machine, Beam Furnace, Deburring Machine, Gear Hobbing, Gear Shaver, Hydraulic Press, Laser Machine, Milling Machine, Plasma Machine, Power Grid, Cylindrical Grinder Machine, Drill Machines, Diameter Grinder, Laser Marking Machine etc.

**Auto components unit at Village Vithlapur, Ahmedabad, Gujarat** - Robotic Welding Machines, lathe machine, surface grinder machine, press machine, paint shop setup etc.

## **INSTALLED CAPACITY & CAPACITY UTILISATION**

Capacity details	2020-21	2021-22	2022-23	Existing Installed Capacity (p.a.)
Agricultural Implements (Raian unit)*				
Press Shop Capacity				
Installed Capacity (in pcs)	106,142	117,936	131,040	131,040
Actual Utilization (in pcs)	87006	73955	62862	
Actual Capacity (%)	81.97%	62.71%	47.97%	
Welding Shop Capacity				
Installed Capacity (in pcs)	2,673	2,970	3,300	3,300
Actual Utilization (in pcs)	1694	1440	1224	
Actual Capacity (%)	63.37%	48.48%	37.09%	
Power Coating Capacity				
Installed Capacity (in pcs)	10,951	12,168	13,520	13,520
Actual Utilization (in pcs)	5593	4754	4041	
Actual Capacity (%)	51.07%	39.07%	29.89%	
Total Installed Capacity (in pcs)	119,766	133,074	147,860	147,860
Total Actual Utilization (in pcs)	94,293	80,149	68,127	
Total Actual Capacity (%)	78.73%	60.23%	46.08%	
Auto components (Vithlapur unit)**				
Press Shop Capacity				
Installed Capacity (in pcs)	356,760	356,760	356,760	356,760
Actual Utilization (in pcs)	124,673	131,235	164,044	
Actual Capacity (%)	34.95%	36.79%	45.98%	
Welding Shop Capacity				
Installed Capacity (in pcs)	101,530	101,530	101,530	101,530
Actual Utilization (in pcs)	23,249	24,473	30,591	
Actual Capacity (%)	22.90%	24.10%	30.13%	
Powder Coating Capacity				
Installed Capacity (in pcs)	48,580	48,580	48,580	48,580
Actual Utilization (in pcs)	14,292	15,044	18,805	
Actual Capacity (%)	29.42%	30.97%	38.71%	
Total Installed Capacity (in pcs)	506,870	506,870	506,870	506,870
Total Actual Utilization (in pcs)	162,214	170,752	213,440	
Total Actual Capacity (%)	32.00%	33.69%	42.11%	

*\*as certified by Karan Rajendra Mody on behalf of Kakode Associates Consulting Private Limited, Chartered Engineers vide certificate dated September 28, 2023.*

*Note - Installed capacity varies with product mix based on cycle times.*

\*The agricultural implements as produced by the Company such as Rotavator, Seeder, Mulcher, Laser Leveller, Potato Planter etc. goes through the press shop machineries, welding process, powder coating process.

\*\*In auto-components, press shop is used for producing Hinge Body Cover, Plate Cover, Stay Floor, Tray Com Battery etc., welding shop is used for producing components such as Link Engine Hanger, Stay Com FR Fender, Tray Com Battery etc., and powder coating is used for producing components such as Hinge Body Cover, Stay Com FR Fender, Bar Com Step, Center Stand and Side Stand etc.

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off /and future production and capacity utilization may vary. For details, please refer to Chapter titled “**Risk factors**” page 22 of this Draft Red Herring Prospectus.

**Collaborations:** We have not entered into any technical or financial or any other collaboration agreement as on the date of filing of this Draft Red Herring Prospectus.

**Export Obligation:** Our Company does not have any export obligation, as on date of this Draft Red Herring Prospectus.

### **SALES AND MARKETING:**

Our sales & distribution network is aided by our capable in-house sales and marketing team, which liaise with the dealers on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. As a part of our marketing strategy, we employ various marketing techniques such as participation in trade fairs & exhibitions, newspaper ads, social media ads etc. Our sales and Marketing team prepare prospective sales target through various activities and upcoming season, sales team place forecast & orders of products with consent of dealers. Sales and marketing team also play vital role to inform company about model shift trend if any, and new product requirements for specific operations.

### **COMPETITION:**

Our agricultural implements and auto components industry are extremely competitive where the key factors of competition primarily comprise of product quality, cost, delivery, development and management. A number of our competitors are larger than we are, and some competitors have greater financial and other resources than we do and other economic advantages as compared to our business, such as patents, existing underutilized capacity, lower labor costs, lower health care costs, lower tax rates and, in some cases, export or raw materials subsidies. We compete with a number of other automotive component and agricultural implements manufacturers and distributors that produce and sell products similar to ours. Some of our significant competitors in the agricultural implements segment includes Tirth Agro Technology Pvt Ltd., Maschio Gaspardo India, Dasmesh Mechanical Works Pvt. Ltd, Sonalika Agro Industries Corporation and Mahindra Farm Equipment. In the automotive component business, some of our significant competitors includes Sansera Engineering Limited, Endurance Technologies Limited and JBM Auto Limited.

### **Infrastructure & Utilities:**

**Raw Materials:** Our raw material includes CRC sheets, HR sheets, tubes, seamless tubes, fastner, drawbar EN 19, drawbar MS, MS strip, ERW pipe, sq pipe, coating powder and pretreatment chemicals. Our essential raw material for the production Auto Component is CRC sheets 1mm to 3mm , HR sheets 2mm to 5mm, erw tubes, fastner, drawbar EN 19, drawbar MS, MS strip, rubber components, coating powder and pretreatment chemicals. Our Agricultural implements raw material included CRC sheets, HR sheets, tubes, seamless tubes, fastner, riger, springs, tines, drawbar EN 19, drawbar MS, MS strip, ERW pipe, sq pipe, forgings, casting, coating powder and pretreatment chemicals. We procure majority of the raw materials from the suppliers based in domestic market.

We also procure certain of the auto-components in the finished and unfinished form (bought out parts) from our Promoter Group entity, M/s New Swan Enterprises which includes fuel cap & bracket for seat latch, stay stopper rubber, body cover, plate engine guards, side stand and various other components/parts. For Fiscal 2023, our total purchase from New Swan Enterprises were Rs. 4539.42 lakhs which constituted 44.48% of our total purchase for the said fiscal year, which included products in finished and unfinished form (bought out parts). In addition, the cold forged parts, black parts and metal forming components are supplied by our Group Company New Swan Autocomp Pvt. Ltd. And, we procure oil seals and moulds which are used in agricultural implements from another Group Company, New Swan Technologies Limited.

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the Uttar Gujrat Vij Company Limited and Punjab State Power Corporation Limited.


**Water:** The existing water requirement for our manufacturing unit is met from borewells.

**Manpower:** We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. We aim towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations. As on the date of this Draft Red Herring Prospectus, our Company has employed around 194 employees (including labour) at various levels of the Organization. We also hire contract labours in our factory units as per the requirement.

## **PROPERTY:**

### **Intellectual Property.**

Our portfolio of intellectual property includes patents and trademarks. We own 5 design registrations relating to our agricultural implements i.e. Mulcher, power weeder, crop planter, potato harvester and potato planter which are registered with the Patent Office, Government of India. Our trademark details are as mentioned below.

Sr. No	Trade Mark/ Logo	Class	TM mark Type	Owner	Application No./ Registration Certificate No.	Date of Registration	Current Status
1	FEELKING	12	Word	New Swan Multitech Limited	3645333	27-03-2018	Registered
2	FEELKING	35	Word	New Swan Multitech Limited	3645334	27-03-2018	Registered
3	<i>Powering Innovative Farmers</i>	6	Device	New Swan Multitech Limited	3645335	27-03-2018	Registered
4	AGRO SWAN	6	Word	New Swan Multitech Limited	2735721	22-03-2019	Registered
5	AGRO SWAN	7	Word	New Swan Multitech Limited	2735722	22-03-2019	Registered
6	AGRO SWAN	35	Word	New Swan Multitech Limited	2735723	30-08-2016	Registered
7		35	Device	New Swan Multitech Limited	1647042	09-09-2017	Registered
8	<b>SWAN AGRO</b>	6	Device	New Swan Multitech Limited	3043728	17-12-2016	Registered
9	<b>SWAN AGRO</b>	35	Device	New Swan Multitech Limited	3043730	11-01-2020	Registered



\*Apart from above trademarks, we are also in use of  trademark, which we are using pursuant to the NOC given by the trademark owner, M/s New Swan Enterprises (Promoter Group entity), without any fees.

### **Immovable Properties:**

The following are the details of the immovable properties owned/ leased/ rented by our Company:-

Sr. No.	Usage	Address	Owned/Leased/Rent
1.	Manufacturing Unit – I (Agricultural implements)	Kohara Machiwara Road, Village Raian, Ludhiana, Punjab	Owned



Sr. No.	Usage	Address	Owned/Leased/Rent
2.	Manufacturing Unit – II (Automotive Components)	Block 351-P, Village Vithlapur, Taluka Mandal, District Ahmedabad, Gujarat 382120	Owned
3.	Registered Office	310, Vardhman Crown Mall, Plot no. 2, Sector-19, Dwarka, New Delhi- 110075	Obtained on rental basis for 11 months w.e.f. 05.08.2023

#### **Insurance:**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We have obtained Business Suraksha Classic- Laghu Udyam Insurance policy for our Raian factory and Business shield SME policy for Vithlapur unit, electronic equipment insurance for Raian unit, Marine Cargo Open Policy, Vehicle Insurance Policies and Group Medical Insurance Policy & Health Insurance for our employees and workers. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on “**Risk Factors**” beginning on page 22 of this Draft Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India. 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 respective local authorities that are available in the public domain. The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approvals, licenses, registrations etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws.*

*For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 186 of this Draft Red Herring Prospectus. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business and should not be construed as an exhaustive list.*

### **INDUSTRY SPECIFIC REGULATIONS**

#### ***The Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the development of, inter alia, standardization, marking and quality certification of goods. Functions of the BIS include, inter-alia, (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 to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

#### ***Bureau of Indian Standards Rules, 2018***

The Bureau of India Standards Rules, 2018 (the “Bureau of Indian Standards Rules”) have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

#### ***Public Liability Insurance Act, 1991 (“Public Liability Act”)***

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

#### ***Importer-Exporter Code***

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. 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.

#### ***Prevention of Black Marketing and Maintenance of Supplies Act, 1980***

The Prevention of Black Marketing and Maintenance of Supplies Act is an Act for detention in certain cases for the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith.

## **LABOUR RELATED LEGISLATIONS**

### ***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### ***Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 (“PG Act”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
  - b) On his/her retirement or resignation;
  - c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).
- Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

### ***Workmen’s Compensation Act, 1923 (“WCA”)***

Workmen’s Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### ***Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1961, as amended, regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

### ***Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### ***Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)***

The Contract Labour (Regulation and Abolition) Act, of 1970 (the “CLRA Act”) requires a company to be registered as a principal employer and prescribes certain obligations with respect to the welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to the establishment of canteens, restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### ***Employees' State Insurance Act, 1948***

It Employees' State Insurance Act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### ***Employees' Provident Funds and Miscellaneous Provisions Act, 1952("EPF Act")***

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees' provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

### ***Payment of Wages Act, 1936***

The Payment of Wages Act, 1936 as amended (the Payment of Wages Act) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and / or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines and deductions and lays down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payables are less than ₹ 6,500 per month.

### ***Industrial Disputes Act, 1947***

The Industrial Disputes Act, 1947 (Industrial Disputes Act) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### ***Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines-Sexual Harassment to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an Internal Complaints Committee at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a Local Complaint Committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### ***Apprentices Act, 1961***

The Apprentices Act, 1961, as amended (the Apprentices Act) regulates and controls the programme of training of apprentices and matters connected there with. The term Apprentice means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Apprenticeship Training means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### ***Equal Remuneration Act, 1976***

The Equal Remuneration Act, 1976, as amended (ER Act) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

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

Inter-State Migrant Workmen Act is an act enacted by the Parliament of India to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. This Act is applicable to every establishment and contractor who has employed five or more inter-state of Pass-Book to every inter-state migrant workman with full details, payment of displacement allowance equivalent to 50% of monthly wages of ₹ 75/-, whichever is higher, payment of journey allowance including payment of wage during the period of the journey, suitable residential accommodation, medical facilities and protective clothing, payment of wages, equal pay for equal work irrespective of sex, etc. The main responsibility for the enforcement of the provisions of the Inter-State Migrant Workmen Act lies with the Central Government and the State Governments/Union Territories in the establishments falling in the Central and State sphere, respectively.

### ***Industrial Employment Standing Orders Act, 1946***

The Industrial Employment Standing Orders Act, 1946 aims to provide for the fixation of minimum rates of wages, hours of work, holidays with pay and leave with pay in factories, workshops and other establishments or undertakings which employ ten or more workers.

It also provides for the regulation of facilities like medical aid and welfare schemes to be extended by employers to their employees. It was enacted to monitor and regulate the terms and conditions of industrial employment in India. It made provisions for the security of employment and payment of wages by cash or through cheque etc. The Act also provides for machinery for adjudicating disputes regarding violation of such terms and conditions. A Standing Order is a document setting out terms and conditions of employment for workers in an industry.

### ***Child Labour (Prohibition and Regulation) Act, 1986***

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### ***Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001***

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

## **TAX RELATED LEGISLATIONS**

### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its Residential Status and-Type of Income involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax like are also required to be complied by every Company.

### ***Goods and Service Tax (GST)***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon. GST has replaced following indirect taxes and duties at the central and state levels.

### ***Central Excise Act, 1944***

Excise duty is levied on production of goods but the liability of excise duty arises only on removal of goods from the place of storage, i.e., factory or warehouse. Unless specifically exempted, excise duty is levied even if the duty was paid on the raw material used in production.

### ***Customs Regulations***

All imports into India are subject to duties under the Customs Act, 1962 at the rates specified under the Customs Tariff Act, 1975. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

## **ENVIRONMENTAL LAWS AND REGULATIONS**

### ***Environmental Regulations***

The **Environmental Protection Act, 1986** (“**Environment Protection Act**”), **Water (Prevention and Control of Pollution) Act, 1974** (“**Water Act**”) and the **Air (Prevention and Control of Pollution) Act, 1981** (“**Air Act**”) provide for the prevention, control and abatement of pollution. Pollution Control Boards (“PCBs”) have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008** (“**Hazardous Waste Rules**”) impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste.

### ***The Noise Pollution (Regulation and Control) Rules, 2000***

These Noise Pollution (Regulation and Control) Rules, 2000 (“**Noise Pollution Rules**”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones.

### ***National Environmental Policy, 2006***

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

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

## **FDI POLICY**

### ***Foreign Trade (Development and Regulation) Act, 1992***

Foreign Trade Act empowers the Government of India to, among other things, (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate an EXIM policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating EXIM policy and implementing the same. Every importer and exporter is required to obtain an 'Importer Exporter Code' from the Director General of Foreign Trade or from any other duly authorized officer.

### ***Foreign Trade Policy***

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP.

### ***Foreign Exchange Management Act, 1999 ("FEMA") and Regulations Framed Thereunder.***

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations"), as amended from time to time to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

## **GENERAL STATUTORY LEGISLATIONS**

### ***Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951***

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 ("MSMED Act") inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as:

- (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹ 25,00,000/- (Rupees Twenty- Five Lakhs Only);



- (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000/- (Rupees Twenty -Five Lakh Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only); or
- (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000/- (Rupees Ten Crores Only).

In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as:

- (i) a micro enterprise, where the investment in equipment does not exceed ₹ 10,00,000/- (Rupees Ten Lakhs Only);
- (ii) a small enterprise, where the investment in equipment is more than ₹ 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed ₹ 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹ 2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only).

The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### ***Companies Act, 2013 (“Companies Act”)***

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

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

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates combinations in India. The Competition Act also established the Competition Commission of India (the —CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

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

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### ***Specific Relief Act, 1963***

The Specific Relief Act, 1963 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 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.

### ***Sale of Goods Act, 1930***

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### ***Consumer Protection Act, 2019 (“Consumer Protection Act”) and rules made thereunder***

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, 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 manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act 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.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

### ***The Information Technology Act, 2000:***

The Information Technology Act, 2000 was notified on October 17, 2000. It is the law that deals with cybercrime and electronic commerce in India. The Information Technology Act, 2000 provides legal recognition to the transaction done via an electronic exchange of data and other electronic means of communication or electronic commerce transactions.

### ***Limitation Act, 1963:***

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, ‘period of limitation’ means the period of limitation prescribed for any suit, appeal or application by the Schedule, and ‘prescribed period’ means the period of limitation computed in accordance with the provisions of this Act.

### ***Code of Civil Procedure, 1908***

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### ***Code of Criminal Procedure Code, 1973***

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1<sup>st</sup> April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

### ***Arbitration & Conciliation Act, 1996***

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

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

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### ***Indian Stamp Act, 1899***

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

### ***The Energy Conservation (Amendment) Act, 2022***

The Energy Conservation Act, 2001 was enacted to provide for efficient use of energy, its conservation and for matters connected therewith and/ or incidental thereto. The amended Act provides for regulation of energy consumption by equipment, appliances, vehicles, vessels, industrial units, buildings or establishments that consume, generate, transmit or supply energy. With special focus on promotion of new and renewable energy and the National Green Hydrogen Mission, the amendment seeks to (i) facilitate the achievement of “Panchamrit”- the five nectar elements presented by India in COP-26 (Conference of Parties -26) in Glasgow 2021.

In addition to facilitating the achievement of ‘Panchamrit’, the amended Act aims to promote renewable energy and develop the domestic carbon market to combat climate change and introduce new concepts such as carbon trading and mandate the use of non-fossil sources to ensure faster decarbonisation and help achieve sustainable development goals in line with the Paris Agreement and various other actions related to climate change.

## **INTELLECTUAL PROPERTY RELATED LEGISLATIONS**

In general, the Intellectual Property Rights include but are not limited to the following enactments:

- i. Trademarks Act, 1999

- ii. Indian Copyright Act, 1957
- iii. Design Act, 2000 (“Design Act”)

### ***Trade Marks Act, 1999 (“Trade Marks Act”)***

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

### ***Copyright Act, 1957***

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, and rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### ***Design Act, 2000 (“Design Act”)***

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which the same can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period, the design is made available to the public by placing it in the public domain.

## **OTHER LAWS**

### ***Municipality Laws***

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### ***Police Laws***

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

### ***Approvals from Local Authorities***

Setting up of a Factory or Manufacturing/Housing unit/Establishments entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## **HISTORY AND CORPORATE STRUCTURE**

### **Brief history of our Company**

Our Company was incorporated as “New Swan Multitech Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 03, 2014 bearing registration No. 265736 issued by Registrar of Companies, Delhi and CIN No. U34100DL2014PLC265736.

Upkar Singh, Ikpreet Kaur, Barunpreet Singh Ahuja, Kuldeep Kaur, Angad Singh, Kanwardeep Singh and New Swan Autocomp Private Limited were the initial subscribers to the Memorandum of Association of our Company.

### **Address of the Registered Office:**

<b>Registered Office</b>	310, Vardhman Crown Mall, Plot No. 2, Sector-19, District Court Complex, Dwarka, New Delhi, South West Delhi - 110 075, India
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### **Changes in Registered Office of the Company:**

Except as disclosed below, there has been no change in our Registered Office since incorporation.

Effective date	From	To	Reason for change
10-Aug-2023	C-124, Naraina Industrial Area, Phase – I, Road No. 12, New Delhi	310, Vardhman Crown Mall, Plot No. 2, Sector-19, District Court Complex, Dwarka, New Delhi, South West Delhi - 110 075, India	Administrative Convenience

### **Main Objects of Memorandum of Association:**

The main objects of our Company as contained in our Clause III(A) of Memorandum of Association of our Company are as follows:

1. To carry on the business of manufacture, fabricate and assemble and deal in automobile parts of all kinds and description automotive and gears and other gears transmission axles, universal joints, spring leaves, head lamps, sealed beams, component parts, spare parts, accessories and fittings of all kinds for the said articles including engineering goods and agriculture machinery and things used in connection with the manufacture thereof, alloy springs and other related items for motor cars, motor trucks, buses, tractors, vans, jeeps, lorries motor launches, motor cycles, bicycles.
2. To carry on business of Exporters and Importers of auto parts of above description for the manufacture of auto parts.

### **Amendments to the Memorandum of Association**

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

Date of Meeting	Type of Meeting	Amendments
March 07, 2020	EGM	Deletion of Clause III (c) of MOA, amendment in Clause III (b) and replacing the existing liability clause i.e. Clause IV with new Clause IV.
May 01, 2015	EGM	Increase in the authorized share capital of the Company from ₹200.00 Lakh divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹500.00 Lakh divided into 50,00,000 Equity Shares of ₹ 10/- each.
July 15, 2023	EGM	Increase in the authorized share capital of the Company from ₹500.00 Lakh divided into 50,00,000 Equity Shares of ₹ 10/- each to ₹2,000.00 Lakh divided into 2,00,00,000 Equity Shares of ₹ 10/- each.

### **Major events and milestones of our Company:**

The table below sets forth some of the major events in the history of our company:

Year/ F.Y.	Key Events/ Milestone/ Achievements
2014	Incorporation of the Company

Year/ F.Y.	Key Events/ Milestone/ Achievements
2014-15	Setup of Agricultural implements manufacturing unit based at Village Raian, Ludhiana, Punjab
2015-16	Setup of Auto-components manufacturing unit based at Village Vithlapur, Ahmedabad, Gujarat
2017-18	Revenue crossed Rs. 100 crores
2022-23	Revenue crossed Rs. 150 crores

#### **Our holding company:**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

#### **Our Subsidiaries and Joint Ventures:**

As on date of this Draft Red Herring Prospectus, our Company has one wholly owned foreign subsidiary company, namely, Swan Agro Rus LLC, based in Bataisk, Rostov region, Russia, which was registered with Federal Tax Service under PSRN 1186196018183 on April 26, 2018 in accordance with the provisions of the tax code of the Russian Federation. Our Wholly owned Subsidiary Company, Swan Agro Rus, LLC, based in Bataisk, Russia has not earned any revenue from operations in F.Y. 2021-22 and 2022-23 and have incurred losses in past years, due to which we have written off the investment of Rs. 30.40 lakhs in F.Y. 2019-20 in the audited financial statements. For further details, please refer to risk factor ***“Our Subsidiary Company does not have any revenue from operations in F.Y. 2021-22 and 2022-23 and we have written off the investment made in Subsidiary on account of loss in Subsidiary Company.”***

#### **Accumulated profits or losses**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of the firm that have not been accounted for or consolidated by our Company.

#### **Strategic or Financial Partnerships:**

As on the date of this Draft Red Herring Prospectus, Our Company does not have any strategic or financial partnerships.

#### **Time and Cost Overruns in Setting up Projects:**

There has been no time/ cost overrun in setting up projects by our Company.

#### **Other details about our Company:**

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled ***“Our Business”, “Management's Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price”*** on pages 96, 174 and 72 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled ***“Our Management” and “Capital Structure”*** beginning on page 123 and 55 of the Draft Red Herring Prospectus respectively.

#### **Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Red Herring Prospectus.

#### **Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus.

#### **Shareholders Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Red Herring Prospectus.

#### **Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

#### **Other Material Agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.



## OUR MANAGEMENT

### Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<b>Upkar Singh</b>  <b>Designation:</b> Chairman & Managing Director  <b>Age:</b> 62 years  <b>Date of Birth:</b> July 16, 1961  <b>Address:</b> House No. 327 L Model Town, Ludhiana-141002, Punjab, India  <b>Experience:</b> 38 years  <b>Occupation:</b> Business  <b>Qualification:</b> Graduate  <b>Current Term:</b> Liable to retire by rotation for the period of five years w.e.f. March 19, 2019  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 01588157	<b>Companies:</b>  1. New Swan Autocomp Private Limited 2. New Swan Techfab Private Limited 3. New Swan Components Private Limited 4. Newswan Technologies Limited 5. Polska Newswan Private Limited 6. Progressive Outdoor Equipments And Smallengines Design & Development Forum
<b>Barunpreet Singh Ahuja</b>  <b>Designation:</b> Whole Time Director  <b>Age:</b> 30 years  <b>Date of Birth:</b> October 18, 1992  <b>Address:</b> House No, 327-L, Model Town, Ludhiana-141002, Punjab, India  <b>Experience:</b> 12 years  <b>Occupation:</b> Business  <b>Qualification:</b> Master of Business Administration  <b>Current Term:</b> Liable to retire by rotation for the period of three years w.e.f. September 01, 2023  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 03408885	<b>Companies:</b>  1. New Swan Autocomp Private Limited 2. Newswan Technologies Limited 3. Polska Newswan Private Limited
<b>Kanwardeep Singh</b>  <b>Designation:</b> Executive Director	<b>Companies:</b>  1. New Swan Autocomp Private Limited 2. New Swan Techfab Private Limited

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Age:</b> 52 years</p> <p><b>Date of Birth:</b> July 05, 1971</p> <p><b>Address:</b> House No.- 66, Block-B B.R.S. Nagar, Rajguru Nagar, Ludhiana-141012, Punjab, India.</p> <p><b>Experience:</b> 21 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualifications:</b> Diploma in Tools &amp; Die Technology</p> <p><b>Current Term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since Incorporation</p> <p><b>DIN:</b> 01588162</p>	<p>3. New Swan Components Private Limited</p> <p>4. Newswan Technologies Limited</p> <p>5. Progressive Outdoor Equipments And Smallengines Design &amp; Development Forum</p>
<p><b>Manmeet Kaur</b></p> <p><b>Designation:</b> Non- Executive Director</p> <p><b>Age:</b> 29 years</p> <p><b>Date of Birth:</b> March 02, 1994</p> <p><b>Address:</b> House No. 327 – L, Model Town, Ludhiana-141002, Punjab, India</p> <p><b>Experience:</b> 2 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Batchlor of Commerce (Marketing Management)</p> <p><b>Current Term:</b> Appointed with effect from September 26, 2023, liable to retire by rotation</p> <p><b>Period of Directorship:</b> September 26, 2023</p> <p><b>DIN:</b> 10333353</p>	<p>Nil</p>
<p><b>Ajay Kumar</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 41 years</p> <p><b>Date of Birth:</b> April 26, 1982</p> <p><b>Address:</b> C/o, 3 Ground Floor, E-Block, Rishi Nagar, Gitanjali Apartments, Ludhiana, Punjab-141001</p> <p><b>Experience:</b> 13 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Master of Business Administration</p>	<p>Nil</p>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Current Term:</b> for a term of 5 consecutive years from September 28, 2023</p> <p><b>Period of Directorship:</b> Since September 28, 2023</p> <p><b>DIN:</b> 07530257</p>	
<p><b>Gaurav Maheshwari</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 33 years</p> <p><b>Date of Birth:</b> October 25, 1989</p> <p><b>Address:</b> Toshniwal Bhawan, Bagru, Near Jain Temple, Jaipur-303007 Rajasthan, India.</p> <p><b>Experience:</b> 11 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> for a term of 5 consecutive years from September 27, 2023</p> <p><b>Period of Directorship:</b> Since September 27, 2023</p> <p><b>DIN:</b> 10252288</p>	<p><b>Company:</b></p> <p>1. Amkay Products Limited</p>

#### **Brief Profile of Directors:**

- Upkar Singh** is the Chairman & Managing Director of our Company. He has been on the Board since incorporation. He is a visionary entrepreneur and has played a pivotal role in expanding business operations of our Company. He encompasses over 38 years of experience in the auto components industry, and within this tenure, he has acquired approximately 9 years of experience in the agricultural implements sector. He has completed his Graduate from Punjab University in the year 1962. He currently looks after the overall management of the Company. Under his guidance, our Company has witnessed continuous growth.
- Barunpreet Singh Ahuja** is the Whole Time Director of our Company. He encompasses over 12 years of experience in the auto components industry, and within this tenure, he has acquired approximately 9 years of experience in the agricultural implements sector. He has completed his Master in Business Administration from the ICFAI University, Tripura in year 2019. He is currently looking after the auto-components segment of our Company.
- Kanwardeep Singh** is the Executive Director of our Company. He has been on the Board since incorporation. He has completed his Diploma in Tools and Die Technology from Punjab State Board of Technical Education and Industrial Training in 1993. He encompasses over 21 years of experience in the auto components industry, and within this tenure, he has acquired approximately 9 years of experience in the agricultural implements sector. He is currently looking after the agricultural implements segment of our Company and overall accounts and finance of the Company.
- Manmeet Kaur** is the Non-Executive Director of our Company. She has an experience of around 2 years in the finance field. She has completed her Batchlor in Commerce in Marketing Management from Punjab Technical University.
- Ajay Kumar** is the Independent Director of our Company. He has a work experience of around 13 years in field of banking and finance. He has completed his Masters in Business Administration from Punjab Technical University in year 2006.
- Gaurav Maheshwari** is an independent director of our Company. He is a qualified member of the Institute of Chartered Accountants of India since 2012. He holds a post qualification work experience of 11 years in the field of Taxation, Auditing

Financial Planning & Analysis, Risk Management, Financial & Statutory Reporting, and related field. He is currently engaged as a partner in a CA practicing firm.

#### **Confirmations:**

As on the date of this Draft Red Herring Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

#### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

#### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

#### **Details of Borrowing Powers of Directors:**

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on February 16, 2022 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 have authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 150.00 Crore.

#### **Compensation of our Managing Director & Whole-time Director:**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

#### **The following compensation has been approved for Managing Director & Whole time Director:**

##### **1. Upkar Singh: Chairman & Managing Director**

Pursuant to the resolutions passed by our Shareholders meeting held on 24<sup>th</sup> July 2018, Upkar Singh was appointed as Chairman & Managing Director for a period of five years with effect from March 19, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 24 lakhs p.a.

##### **2. Barunpreet Singh Ahuja: Whole Time Director**

Pursuant to the resolutions passed by our Shareholders September 01, 2023, Barunpreet Singh Ahuja was appointed as Whole Time Director for a period of three years with effect from September 01, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 24 lakhs p.a.

### Payments or benefits to Directors:

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

Name of Director	Remuneration paid in F.Y. 2022-23 (₹ in lakhs)
Upkar Singh	-
Kanwardeep Singh	-
Barunpreet Singh Ahuja	39.29

### Bonus or Profit-Sharing Plan for our Directors:

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

### Sitting Fees:

Our Board of Directors have resolved in their meeting dated September 28, 2023 for payment of sitting fees to Directors (including independent directors) of the Company, such sum as may be decided by the Board of Directors which shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof, attended by such director.

### Shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Shares Held	Holding in % (pre-issue)
1.	Upkar Singh	1,39,99,960	99.998
2.	Kanwardeep Singh	40	Negligible
3.	Barunpreet Singh Ahuja	40	Negligible
	<b>Total</b>	<b>1,40,00,040</b>	<b>99.998</b>

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.*

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

### INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 123 of this Draft Red Herring Prospectus.

Our directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 170 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

### Interest of Directors in the property of Our Company:

Our directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC.

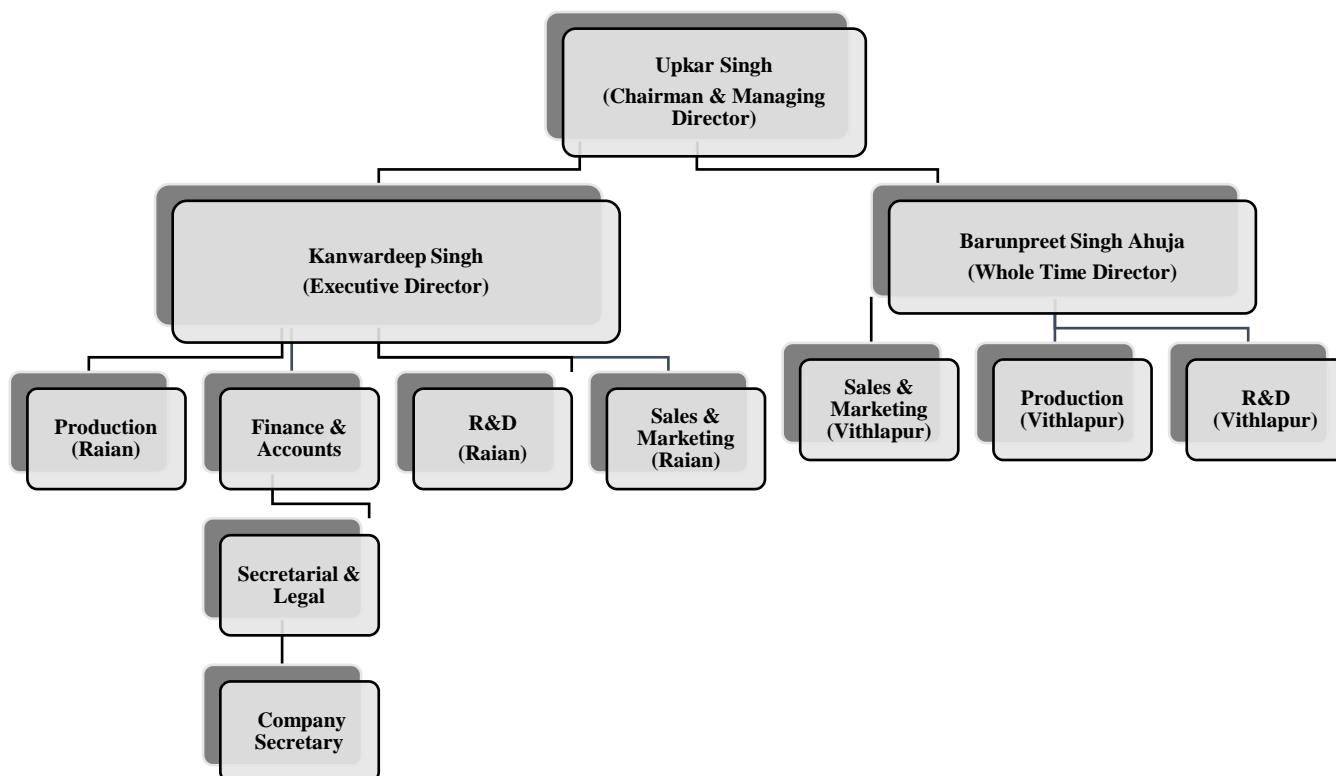
Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company Annexure –XXXII-Related Party Disclosure”** beginning on page 123 and 165 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### Changes in Board of Directors in Last 3 Years:

Name	Designation (at the time of appointment/ Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Barunpreet Singh Ahuja	Redesignated as Whole Time Director	September 01, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Lakhwinder Singh	Cessation from Independent Director	September 21, 2023	Due to Personal reason
Lakhvir Kumar	Cessation from Independent Director	September 21, 2023	Due to Personal reason
Manmeet Kaur	Appointment of Non- Executive Additional Director	September 26, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Gaurav Maheshwari	Appointed as an Additional Independent Director	September 27, 2023	
Ajay Kumar	Appointed as an Additional Independent Director	September 27, 2023	
Ajay Kumar	Cessation from an Additional Independent Director	September 27, 2023	Due to Personal reason
Ajay Kumar	Appointed as an Additional Independent Director	September 28, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Manmeet Kaur	Regularized as Non- Executive Director	September 30, 2023	
Ajay Kumar	Regularized as an Independent Director	September 30, 2023	
Gaurav Maheshwari	Regularized as an Independent Director	September 30, 2023	

## MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure: -



## COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of BSE. The requirements pertaining to the composition of the Board of Directors

and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of six (6) directors of which two (2) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has formed the following committees:

#### **1. Audit Committee**

Our Company has reconstituted an Audit Committee, vide Board Resolution dated September 28, 2023 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Ajay Kumar	Chairman	Independent Director
Gaurav Maheshwari	Member	Independent Director
Upkar Singh	Member	Managing Director

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

##### **A. Tenure of the committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

##### **B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

##### **C. Power of the Committee:**

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- To have full access to information contained in records of Company.

##### **D. Role of the Committee:**

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;



- b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
  - 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  - 9) Scrutiny of inter-corporate loans and investments;
  - 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - 11) Evaluation of internal financial controls and risk management systems;
  - 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  - 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 15) Discussing with internal auditors on any significant findings and follow up thereon;
  - 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - 19) Reviewing the functioning of the whistle blower mechanism;
  - 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
  - 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
  - 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
  - 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed an Stakeholders Relationship Committee vide Board Resolution dated September 28, 2023 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Ajay Kumar	Chairman	Independent Director
Gaurav Maheshwari	Member	Independent Director
Upkar Singh	Member	Managing Director

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

**A. Tenure of the committee:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**B. Meetings of the committee:**

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

**C. Terms of Reference:**

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

**3. Nomination and Remuneration Committee**

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated September 28, 2023 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Ajay Kumar	Chairman	Independent Director
Gaurav Maheshwari	Member	Independent Director
Manmeet Kaur	Member	Non-Executive Director

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

**A. Tenure of the committee:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings of the committee:**

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

**C. Role of Terms of Reference:**

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

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. formulation of criteria for evaluation of the performance of independent directors and the Board;
4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

**4. Corporate Social Responsibility Committee**

Our Company has re-constituted the Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Board resolution dated September 28, 2023. The Corporate Social Responsibility Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Upkar Singh	Chairman	Managing Director
Ajay Kumar	Member	Independent Director
Barunpreet Singh Ahuja	Member	Executive Director

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
4. To Monitor the Corporate Social Responsibility policy of the Company from time to time; and
5. Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

### KEY MANAGERIAL PERSONNEL

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

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. 2022-23 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Upkar Singh</b> <b>Designation:</b> Chairman & Managing Director <b>Educational Qualification:</b> Graduate <b>Term of office:</b> For a period of five years with effect from March 19, 2023; liable to retire by rotation	62	2014	NIL	38	Nil
<b>Barunpreet Singh Ahuja</b> <b>Designation:</b> Whole time Director <b>Educational Qualification:</b> MBA <b>Term of office:</b> For a period of three years with effect from September 01, 2023; liable to retire by rotation	30	2014	39.29	12	Nil
<b>Naveen Bhakoo</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> Chartered Accountant, B. Com	53	2021 (designated as CFO in Aug.'2023)	16.31	24	KDDL Ltd.
<b>Tanveer Kaur</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary and Chartered Accountant	29	September 01, 2023	-	3	Nil

### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Upkar Singh** - Please refer to section “**Brief Profile of our Directors**” beginning on page 123 of this Draft Red Herring Prospectus for details.

**Barunpreet Singh Ahuja**- Please refer to section “**Brief Profile of our Directors**” beginning on page 123 of this Draft Red Herring Prospectus for details.

**Naveen Bhakoo** is the Chief Financial Officer of our Company. He is the member of Institute of Chartered Accountants of India since 1998. He has been associated with our Company since 2021. He has over 24 years of experience in financial reporting, costing, finance,

MIS, Auditing and taxation. He has been appointed as Chief Financial Officer of our Company with effect from August, 2023. He is currently responsible for handling the accounts, finance, taxation and legal matters of the Company.

**Tanveer Kaur** is the Company Secretary and Compliance officer of our Company. She is the member of Institute of Company Secretaries of India since 2020. She has an experience of 3 years in the secretarial matters. She looks after the overall corporate governance and secretarial matters of our Company. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from September 01, 2023.

**We confirm that:**

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Upkar Singh are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended March 2023.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except:

Sr. No.	Name of the KMP's	No. of Shares held
1	Upkar Singh	13,999,960
2	Barunpreet Singh Ahuja	40
	<b>Total</b>	<b>1,40,00,000</b>

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

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

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

Sr. No.	Name of the Director/ KMP	Relationship with other Directors/ KMP's
1.	Upkar Singh	Father of Barunpreet Singh Ahuja and Father in law of Manmeet Kaur
2.	Barunpreet Singh Ahuja	Son of Upkar Singh and husband of Manmeet Kaur
3.	Manmeet Kaur	Wife of Barunpreet Singh Ahuja and daughter in law of Upkar Singh

**Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

**Changes in the Key Managerial Personnel in last three years:**

There is no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Name	Designation (at the time of appointment/ Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Barunpreet Singh Ahuja	Redesignated as Whole Time Director	September 01, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Naveen Bhakoo	Appointed as Chief Financial Officer	August 01, 2023	

Name	Designation (at the time of appointment/ Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Tanveer Kaur	Appointed as Company Secretary & Compliance officer	September 01, 2023	

### Interest of Our Key Managerial Persons

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled ***“Financial information of the Company – Annexure – XXXII- Related Party Disclosures”*** beginning on page 165 of this Draft Red Herring Prospectus.

### Interest of Directors and KMP’s in the property of Our Company:

Our directors and KMP’s do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC:-

### Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### Loans given/ availed by Directors/ Key Managerial Personnel of Our Company

For details of unsecured loan taken from or given to our Directors/ KMPs and for details of transaction entered by them in the past please refer to ***“Annexure –XXXII – Related Party Disclosures”*** page 165 of this Draft Red Herring Prospectus.

### ESOP/ ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ ESPS Scheme for our employees.



## OUR PROMOTERS & PROMOTER GROUP

### Our Promoters:


The promoters of our Company are Upkar Singh, Kanwardeep Singh and Barunpreet Singh Ahuja.

As on date of this Draft Red Herring Prospectus, the Promoters, in aggregate, hold 1,40,00,040 Equity shares of our Company, representing 99.998% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure-Capital Build-up in respect of Shareholding of our Promoters*", on page 55 of this Draft Red Herring Prospectus.

### Details of our Promoters:

	<b>Upkar Singh – Chairman and Managing Director</b>	
	<b>Qualification</b>	Bachelor of Arts
	<b>Age</b>	62 years
	<b>Date of Birth</b>	July 16, 1961
	<b>Address</b>	House No. 327 L, Model Town, Ludhiana Punjab, India -141 002
	<b>Experience</b>	38 years
	<b>Occupation</b>	Business
	<b>PAN</b>	ACFPS4283C
	<b>No. of Equity Shares &amp;% of Shareholding (Pre-Issue)</b>	1,39,99,960 Equity Shares aggregating to 99.998% of Pre-Issue Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorship in other Companies:</b> <ol style="list-style-type: none"> <li>1. Polska Newswan Private Limited</li> <li>2. New Swan Autocomp Private Limited</li> <li>3. New Swan Components Private Limited</li> <li>4. New Swan Techfab Private Limited</li> <li>5. Newswan Technologies Limited</li> <li>6. Progressive Outdoor Equipments And Smallengines Design &amp; Development Forum</li> </ol> <b>Partnership Firms:</b> <ol style="list-style-type: none"> <li>1. Swan Innovation</li> <li>2. New Swan Enterprises</li> </ol> <b>HUF's:</b> <ol style="list-style-type: none"> <li>1. Upkar Singh HUF (as Karta)</li> </ol>
	<b>Barunpreet Singh Ahuja – Whole Time Director</b>	
	<b>Qualification</b>	MBA
	<b>Age</b>	30 years
	<b>Date of Birth</b>	October 18, 1992
	<b>Address</b>	House No. 327 L, Model Town, Ludhiana Punjab, India – 141 002.
	<b>Experience</b>	12 years
	<b>Occupation</b>	Business
	<b>PAN</b>	ATVPA3680L
	<b>No. of Equity Shares &amp;% of Shareholding (Pre-Issue)</b>	40 Equity Shares aggregating to 0.00% of Pre-Issue Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorships in other Companies:</b> <ol style="list-style-type: none"> <li>1. New Swan Autocomp Private Limited</li> <li>2. Newswan Technologies Limited</li> <li>3. Polska Newswan Private Limited</li> </ol> <b>Partnership Firms:</b> <p>New Swan Enterprises</p> <b>HUF's:</b> <ol style="list-style-type: none"> <li>1. Upkar Singh HUF (as Member)</li> <li>2. Barunpreet Singh Ahuja HUF (as Karta)</li> </ol>



	<b>Kanwardeep Singh – Executive Director</b>	
	<b>Qualification</b>	Diploma in Tools and Die Technology
	<b>Age</b>	52 years.
	<b>Date of Birth</b>	July 05, 1971
	<b>Address</b>	House No.- 66, Block-B, B.R.S. Nagar, Rajguru Nagar, Ludhiana, Punjab, India-141012
	<b>Experience</b>	30 years
	<b>Occupation</b>	Business
	<b>PAN</b>	AJKPS8867L
	<b>No. of Equity Shares &amp;% of Shareholding (Pre-Issue)</b>	40 Equity Shares aggregating to “Negligible” of Pre-Issue Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorships in other Companies:</b> 1. New Swan Autocomp Private Limited 2. New Swan Techfab Private Limited 3. New Swan Components Private Limited 4. Newswan Technologies Limited 5. Progressive Outdoor Equipments And Smallengines Design & Development Forum <b>Partnership Firms:</b> 1. Swan Innovations

For brief biography of our Individual Promoters, please refer to Chapter titled “**Our Management**” beginning on page 123 of this Draft Red Herring Prospectus.

#### **Confirmations/ Declarations:**

In relation to our individual Promoters, our Company confirms that the PAN, bank account number, passport number, Aadhaar card number and driving license number shall be submitted to BSE at the time of filing of this Draft Red Herring Prospectus.

#### **Undertaking/ Confirmations:**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture/ bond/ fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “**Outstanding Litigations and Material Developments**” beginning on page 183 of this Draft Red Herring Prospectus.
- None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

#### **Interest of our Promoters:**

##### ***i) Interest in promotion and shareholding of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by him and his relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Upkar Singh, Kanwardeep Singh and Barunpreet Singh Ahuja holds 1,40,00,040 Equity Shares in our Company i.e. 99.99% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to **Annexure –XXXII –“Related Party Transactions”** beginning on page 165 of this Draft Red Herring Prospectus.

For details regarding the shareholding of our Promoter in our Company, please see “*Capital Structure*” on page 55 of this Draft Red Herring Prospectus.

**ii) Interest in the property of Our Company:**

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus:

**iii) In transactions for acquisition of land, construction of building and supply of machinery:**

Our promoters or directors are not interested in any transaction for the acquisition of land, construction of building or supply of machinery.

**iv) Other Interests in our Company:**

For transactions in respect of loans and other monetary transactions entered in past please refer *Annexure –XXXII on “Related Party Transactions”* on page 165 forming part of “*Financial Information of the Company*” of this Draft Red Herring Prospectus.

Further, our promoter may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Financial Information of Our Company*” on page 170 and 141 respectively of this Draft Red Herring Prospectus.

**Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and Promoter Group, please refer to the paragraph “*Compensation of our Chairman*” in the chapter titled “*Our Management*” beginning on page 123 also refer *Annexure –XXXII on “Related Party Transactions”* on page 165 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoters*” in chapter titled “*Our Promoter and Promoter Group*” on page 136 of this Draft Red Herring Prospectus.

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

Except as disclosed below, our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus:

S.N.	Name of Promoter	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances of disassociation	Date of Disassociation
1.	Upkar Singh	G S Auto International Limited	Pre-Occupation	December 26, 2020

**Other ventures of our Promoters**

Save and except as disclosed in this section titled “*Our Promoters & Promoter Group*” beginning on page 136 of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 183 of this Draft Red Herring Prospectus.

**Experience of Promoters in the line of business**

Our promoter, Mr. Upkar Singh possess 38 years of experience in the auto components industry and within this tenure, he has acquired approximately 9 years of experience in the agricultural implements sector. Also, Mr. Barunpreet Singh Ahuja has more than 12 years of experience in auto components industry (including 9 years in the field of agricultural implements). And, Mr. Kanwardeep Singh has an experience of 30 years in the field of Auto components industry (including 9 years in the field of agricultural implements). The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

**Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled “**Annexure –XXXII- Related Party Transactions**” on page 165 of this Draft Red Herring Prospectus.

Except as stated in “**Annexure –XXXII- Related Party Transactions**” beginning on page 165 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### **OUR PROMOTER GROUP:**

In addition to the Promoters, the following individual and entities are part of our Promoter Group:

#### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship with Promoters	Name of the Relatives		
	Upkar Singh	Kanwardeep Singh	Barunpreet Singh Ahuja
Father	Late Atam Singh	Jatinder Singh Sethi	Upkar Singh
Mother	Late Sharan Kaur	Waryam Kaur	Kuldeep Kaur
Spouse	Kuldeep Kaur	Nainmeet kaur	Manmeet Kaur
Brother	Jasmer Singh	-	-
Sister	Waryam Kaur Bhupinder Kaur Sethi	Barinder Kaur Bedi	Ikpreet Kaur Ashveen Kaur
Son	Barunpreet Singh Ahuja	Gursimar Singh	Kabir Singh
Daughter	Ikpreet Kaur Ashveen Kaur	Japneet kaur	-
Spouse’s Father	Late Surender Singh Bedi	-	Arjan Singh
Spouse’s Mother	Late Parkash Kaur	Gurneer Kaur	Rajbir Kaur
Spouse’s Brother	Kulvinder Singh Davinder Singh		Rajvansh Singh Kataria
Spouse’s Sister	-	Navneet Chopra Dilkirat Parveen	Ershia Kaur

#### **2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Entities
1.	Any Body Corporate in which 20% or more of the share capital is held by the Promoters or an immediate relative of the Promoters or a firm or Hindu Undivided Family in which the Promoters or any one or more of his immediate relatives is a member;	<b>Companies:</b> New Swan Autocomp Private Limited New Swan Techfab Private Limited New Swan Components Private Limited New Swan Technologies Limited Progressive Outdoor Equipments And Smallengines Design & Development Forum
2.	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	Polska Newswan Private Limited
3.	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	M/s New Swan Enterprises M/s Swan Innovations Upkar Singh HUF Barunpreet Singh Ahuja HUF

#### **3. Other Persons included in Promoter Group:**

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

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

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

Our Company has not paid/ declared any dividend in last three years from date of this Draft Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## SECTION VI FINANCIAL INFORMATION OF THE COMPANY

### RESTATED FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION

To  
**The Board of Directors**  
**NEW SWAN MULTITECH LIMITED**  
310, 3rd floor, Vardhman Crown Mall,  
Plot No. 2, Sector-19, District Court Complex,  
Dwarka, New Delhi - 110075

Dear Sirs,

1. We have examined the attached Consolidated Restated Financial Statements of assets and liabilities of **New Swan Multitech Limited**, (hereinafter referred to as "**the Company**") as at March 31, 2023, 2022 and 2021 restated summary statement of Consolidated profit and loss, restated summary statement of Consolidated Cash Flows Statement for the period ended on as at March 31, 2023, 2022 and 2021, the Consolidated Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Consolidated Financial Statements (collectively referred to as the "**restated summary statements**" or "**restated Consolidated financial statements**") annexed to this report and initialled by us for identification purposes. These Restated Consolidated Financial Statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") on relevant stock exchange.
2. These restated consolidated financials statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
  - (iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Offer Document being issued by the Company for its proposed IPO of equity shares on SME Platform of the BSE Limited ("**BSE**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**")
3. The Company's Board of Directors is responsible for the preparation of the Consolidated Restated Financial Information for the purpose of inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Delhi in connection with the proposed SME IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Consolidated Restated Financial Information. The Board of Directors responsibility includes designing implementing and maintaining adequate internal control relevant to the preparation and presentation of the Consolidated Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
4. We, **M/s A D V & Associates** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds the peer review certificate dated 25 January, 2022 valid till 31 January, 2025. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
5. We have examined such restated financial statements taking into consideration:
  - (i) The terms of reference and terms of our engagement agreed upon with you in accordance with our letter dated July 08, 2023 in connection with the Draft Offer Document/ Offer Document being issued by the Company for its proposed Initial Public Offering of equity shares on relevant stock exchange ("**IPO**" or "**SME IPO**"); and

- (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”). The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
6. These Restated Consolidated Financial Statements of the Company have been extracted by the management from the Audited Consolidated financial statements for the period ended on as at March 31, 2023, 2022 and 2021 which has been approved by the Board of Directors.
  7. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
    - (i) The “**restated consolidated statement of asset and liabilities**” of the Company as at as at March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
    - (ii) The “**restated consolidated statement of profit and loss**” of the Company for the period ended on March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
    - (iii) The “**restated consolidated statement of cash flows**” of the Company for the period ended on March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
  8. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
    - (i) Using consistent accounting policies for all the reporting periods.
    - (ii) Adjustments for prior period and other material amounts in the respective financial years to which they relate.
    - (iii) There are no extra-ordinary items other than those appearing in financials that need to be disclosed separately in the accounts and requiring adjustments.
    - (iv) There are no audit qualifications in the audit reports issued by the statutory auditor for the period ended March 31, 2023, but qualified audit report were issued for period ended March 2022 and 2021 which do not require any adjustments in these restated financial statements of the Company.

The Consolidated Restated Financial Information have been compiled by the management from:

- (i) Consolidated Audited financial statements of company for Fiscal 2023, 2022 and 2021 issued by ther Statutory Auditor, M. P. Arneja & Co.

The audited financial statements were amended and included following matter(s) giving rise to amendments in the financial statements as at and for the year ended on March 31, 2023, 2022 and 2021 : -

- (i) The Consolidated Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- (ii) The Consolidated Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- (iii) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;

- (iv) There were no qualifications in the Standalone Audited financial statements issued for the financial year ending March 31, 2023, but qualified audit report were issued for period ended on March 2022 and 2021 and the same did not require any adjustments in this Consolidated Restated Financial Statements of the Company;
  - (v) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this report;
  - (vi) Adjustments in Consolidated Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
  - (vii) There was no change in accounting policies, which needs to be adjusted in the Consolidated Restated Financial Information or Consolidated Restated Summary Financial Statement;
  - (viii) There are no revaluation reserves, which need to be disclosed separately in the Consolidated Restated Financial Information or Consolidated Restated Summary Financial Statement.
  - (ix) The Company has not paid any dividend since its incorporation.
  - (x) To expand the business activities of the company, the Holding Company incorporated a subsidiary SWAN AGRO RUS, LLC in the Russian Federation with 100% ownership.
9. Audit for the period ended March 31, 2023, 2022 and 2021 was conducted by M.P. Arneja & Co. The financial report included for these periods is based solely on the report submitted by M.P. Arneja & Co. for March 2021, March 2022 and March 2023. Further financial statements for period ended on March 31, 2023 have been reaudited by us as per the relevant guidelines.
10. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Offer Document/ Offer Document.

**Annexure to restated financial statements of the Company:-**

1. Summary statement of Consolidated Assets and Liabilities, as restated as appearing in ANNEXURE I;
2. Summary statement of Consolidated Profit And Loss, as restated as appearing in ANNEXURE II;
3. Summary statement of Consolidated Cash Flow as restated as appearing in ANNEXURE III;
4. Restated significant accounting policies and notes to accounts as appearing in ANNEXURE IV;
5. Share capital as restated as appearing in ANNEXURE V to this report;
6. Consolidated Reserves and surplus as restated as appearing in ANNEXURE VI to this report;
7. Consolidated Long-term borrowings as restated as appearing in ANNEXURE VII to this report;
8. Consolidated Deferred tax asset/liability as restated as per ANNEXURE VIII to this report;
9. Consolidated Long-term provisions as restated as appearing in ANNEXURE IX to this report;
10. Consolidated Short-term borrowings as restated as appearing in ANNEXURE X to this report;
11. Consolidated Trade payables as restated as appearing in ANNEXURE XI to this report;
12. Consolidated Other current liabilities as restated as appearing in ANNEXURE XII to this report;
13. Consolidated Short-term provisions as restated as appearing in ANNEXURE XIII to this report;
14. Consolidated Property, Plant & Equipment as restated as appearing in ANNEXURE XIV to this report;
15. Consolidated Non-current investment as restated as appearing in ANNEXURE XV to this report;
16. Consolidated Long-term loans and advances as restated as appearing in ANNEXURE XVI to this report;
17. Consolidated Other non-current assets as restated as appearing in ANNEXURE XVII to this report;
18. Consolidated Inventories as restated as appearing in ANNEXURE XVIII to this report;
19. Consolidated Trade receivables as restated as appearing in ANNEXURE XIX to this report;
20. Consolidated Cash & cash equivalents as restated as appearing in ANNEXURE XX to this report;
21. Consolidated Short-term loans & advances as restated as appearing in ANNEXURE XXI to this report;
22. Consolidated Other current assets as restated as appearing in ANNEXURE XXII to this report;
23. Consolidated Revenue from operations as restated as appearing in ANNEXURE XXIII to this report;
24. Consolidated Other income as restated as appearing in ANNEXURE XXIV to this report;
25. Consolidated Raw material Consumed as restated as appearing in ANNEXURE XXV to this report;
26. Consolidated Change in inventories of finished goods as restated as appearing in ANNEXURE XXVI to this report;
27. Consolidated Employees benefit expenses as restated as appearing in ANNEXURE XXVII to this report;
28. Consolidated Finance cost as restated as appearing in ANNEXURE XXVIII to this report;
29. Consolidated Depreciation as restated as appearing in ANNEXURE XXIX to this report;
30. Consolidated Other expenses as restated as appearing in ANNEXURE XXX to this report;
31. Consolidated Contingent liabilities as restated as appearing in ANNEXURE XXXI to this report;
32. Consolidated Related party transactions as restated as appearing in ANNEXURE XXXII to this report;
33. Consolidated Tax shelter as restated as appearing in ANNEXURE XXXIII to this report;
34. Capitalisation statement as at March 31, 2023 as restated as appearing in ANNEXURE XXXIV to this report;



35. Consolidated Statement of accounting ratios & additional Information as restated as appearing in ANNEXURE XXXV(A) and (B) to this report,
11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. In our opinion, the above financial information contained in Annexure I to XXXV of this report read with the respective significant accounting policies and notes to Consolidated Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
14. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/ Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our 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 A D V & Associates**

Chartered Accountants

Firm Registration no: 128045W

**Sd/-**

**Pratik Kabra**

Partner

Membership No.: 611401

UDIN: 23611401BGUOJM6818

Place: Mumbai

Date: 28<sup>th</sup> September, 2023

**ANNEXURE – I**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(₹ in Lakhs)

Sr. No.	Particulars	Annexure No.	For the year ended March 31,		
			2023	2022	2021
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>				
(1)	<b>Shareholder's Funds</b>				
(a)	Share Capital	V	350.01	350.01	350.01
(b)	Reserves and Surplus	VI	2,631.74	1,639.81	1,276.67
(2)	<b>Share Application Money Pending Allotment</b>		-	-	-
(3)	<b>Non-Current Liabilities</b>				
(a)	Long-Term Borrowings	VII	2,269.29	2,703.06	2,111.77
(b)	Deferred Tax Liability(Net)	VIII	407.47	366.04	327.29
(c)	Long term provision	IX	56.40	52.02	50.41
(d)	Other long-term Liabilities		-	-	-
(4)	<b>Current Liabilities</b>				
(a)	Short Term Borrowing	X	1,646.41	2,097.53	2,468.78
(b)	Trade Payables	XI	4,187.01	4,381.93	4,617.84
(c)	Other Current Liabilities	XII	1,011.42	549.79	439.99
(d)	Short-Term Provisions	XIII	316.68	208.61	126.92
	<b>Total</b>		<b>12,876.43</b>	<b>12,348.80</b>	<b>11,769.68</b>
<b>II.</b>	<b>ASSETS</b>				
(1)	<b>Non-Current Assets</b>				
(a)	Property, Plant & Equipments				
	- Tangible Assets	XIV	5,358.23	5,079.96	4,991.29
	- Intangible Assets	XIV	20.44	35.15	49.75
	- Capital Work In Progress	XIV	55.64	38.26	19.57
(b)	Non-Current Investment	XV	0.00	0.00	0.00
(c)	Deferred Tax Assets (net)	VIII	-	-	-
(d)	Long-term loans and advances	XVI	114.85	109.85	114.39
(e)	Other non-current assets	XVII	141.30	95.52	45.31
(2)	<b>Current Assets</b>				
(a)	Inventories	XVIII	4,678.78	3,005.31	3,811.46
(b)	Trade receivables	XIX	1,089.47	1,233.52	714.76
(c)	Cash and Cash Equivalents	XX	230.69	215.67	273.05
(d)	Short-Term Loans And Advances	XXI	945.42	2,150.32	1,234.69
(e)	Other Current Assets	XXII	241.62	385.23	515.41
	<b>Total</b>		<b>12,876.43</b>	<b>12,348.80</b>	<b>11,769.68</b>

**ANNEXURE – II**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS RESTATED**

(₹ In Lakhs)

Sr. No.	Particular	Annexure No.	For the year ended March 31,		
			2023	2022	2021
<b>A</b>	<b>Revenue:</b>				
	Revenue From Operations	XXIII	15,116.04	14,546.71	14,947.45
	Other Income	XXIV	26.13	5.69	13.11
	<b>Total Revenue</b>		<b>15,142.17</b>	<b>14,552.40</b>	<b>14,960.55</b>
	Expenses:				
<b>B</b>	<b>Cost of Material Consumed</b>	XXV	<b>9,985.29</b>	<b>9,545.11</b>	<b>9,677.88</b>
	Changes in inventories of finished goods	XXVI	-710.02	312.29	334.37
	Employee benefit expenses	XXVII	1,960.45	1,894.14	2,074.98
	Financial Cost	XXVIII	355.80	375.67	307.60
	Depreciation and amortization expenses	XXIX	333.90	296.61	294.84
	Others Expenses	XXX	1,842.58	1,621.09	1,783.11
	<b>Total Expenses</b>		<b>13,768.01</b>	<b>14,044.91</b>	<b>14,472.78</b>
<b>C</b>	<b>Profit before exceptional ,extraordinary items and tax</b>		<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
	Less: Exceptional Items		-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>		<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
	Prior Period Items		-	-	-
	Extra ordinary items		-	-	-
<b>D</b>	<b>Profit before tax</b>		<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
	Tax expense :				
	Current tax		340.80	105.60	112.47
	Deferred Tax		41.43	38.76	32.67
	<b>Profit/(Loss) for the period After Tax- PAT</b>		<b>991.93</b>	<b>363.14</b>	<b>342.63</b>
<b>E</b>	<b>No. of Shares</b>		<b>35,00,060</b>	<b>35,00,060</b>	<b>35,00,060</b>
<b>F</b>	<b>Earning per Equity Share: Basic/Diluted</b>				
	(1) Basic		7.09	2.59	2.45
	(2) Diluted		7.09	2.59	2.45

**ANNEXURE –III**  
**CONSOLIDATED CASH FLOW STATEMENT AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
<b>Cash Flow From Operating Activities:</b>			
Net Profit before tax as per Profit And Loss A/c	1,374.16	507.49	487.77
Adjustments for:			
Depreciation & Amortisation Expense	333.90	296.61	294.84
Interest Income	6.81	2.07	0.15
Finance Cost	340.42	350.85	292.06
Loss on Sale of fixed assets	7.86	9.38	-
Previous years Adjustments	-	-	-101.35
<b>Operating Profit Before Working Capital Changes</b>	<b>2,063.15</b>	<b>1,166.42</b>	<b>973.46</b>
Adjusted for (Increase)/ Decrease in:			
Short term provision	-1.34	-1.27	6.10
Trade Receivables	144.05	-518.76	-362.22
Inventories	-1,673.47	806.15	-289.22
Other current assets	181.11	156.59	193.35
Trade Payables	-194.92	-235.91	44.62
Other Current Liabilities	461.63	109.80	-960.91
<b>Cash Generated From Operations</b>	<b>-1,082.94</b>	<b>316.60</b>	<b>-1,368.29</b>
Appropriation of Profit			
Net Income Tax paid/ refunded	268.89	49.04	100.31
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>711.32</b>	<b>1,433.98</b>	<b>-495.13</b>
<b>Cash Flow From Investing Activities:</b>			
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	-622.68	-398.77	-392.16
Interest Income	-6.81	-2.07	-0.15
Net Increase/(Decrease) in long term loans and Advances	-5.00	4.54	276.26
Net Increase/(Decrease) in Current Investment	-	-	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>-634.50</b>	<b>-396.30</b>	<b>-116.05</b>
<b>Cash Flow from Financing Activities:</b>			
Net Increase/(Decrease) in Long Term Borrowings	-433.77	591.28	45.55
Net Increase/(Decrease) in Long Term Provisions	4.39	1.60	50.41
Net Increase/(Decrease) in Other Long Term Liabilities	-	-	-
Net Increase/(Decrease) in Short Term Borrowing	-451.13	-371.24	1,760.88
Net (Increase)/Decrease in Short Term Advance	1,204.89	-915.62	-924.26
Net (Increase)/Decrease in Other non-current assets	-45.78	-50.21	-13.35
Interest on borrowings	-340.42	-350.85	-292.06
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>-61.80</b>	<b>-1,095.05</b>	<b>627.17</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>15.02</b>	<b>-57.37</b>	<b>15.99</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>215.67</b>	<b>273.05</b>	<b>257.06</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>230.69</b>	<b>215.67</b>	<b>273.05</b>

**ANNEXURE – IV**  
**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION**

**COMPANY OVERVIEW**

New Swan Multitech Limited was incorporated as a limited Company under the name of “New Swan Multitech Limited” on March 03, 2014 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana, bearing registration number as 265736. The Company is engaged in manufacturing of auto components and agricultural implements.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of preparation of Financial Statements:**

The Restated Consolidated Statement of Assets and Liabilities (Annexure I) of the company as at March 31, 2023, March 31, 2022, March 31, 2021, the Restated Consolidated Statements of Profit and Loss (Annexure II), the Restated Consolidated Cash Flow Statement (Annexure III) for the financial year/ period March 31, 2023, March 31, 2022, March 31, 2021 (hereinafter collectively referred to as “Restated Consolidated Financial Information”) have been extracted by the management from the audited financial statements for the period/ year ended March 31, 2023, March 31, 2022, March 31, 2021, approved by the respective Board of Directors of the companies.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**B. BASIS OF CONSOLIDATION:**

There is consolidation for the year ended 31st March 2023, 31st March 2022 and 31st March 2021 as the Company have a Foreign Subsidiary in respective year. Consolidation Procedure: As per AS 21 “Consolidated Financial Statements” issued by ICAI, the Proportionate consolidation is a method of accounting and reporting whereby a venture’s share of each of the assets, liabilities, income and expenses of a jointly controlled entity is reported as separate line items in the venture’s financial statements.

(a) Combine like items of assets, liabilities, equity, income, expenses of the Company with those of its jointly controlled entity in ratio of share of the company in jointly controlled entity.

(b) Offset (eliminate) the carrying amount of the company’s investment in jointly controlled entity and the company’s portion of equity of jointly controlled entity.

(c) Eliminate in full intra-entity assets and liabilities, equity, income, expenses relating to transactions between jointly controlled entity and company (profits or losses resulting from transactions that are recognized in assets, such as inventory and property, plant and equipment are eliminated in full).

The Restated Consolidated Financial Information include the financial statements of New Swan Multitech Limited (“Holding Company”) and its Wholly Owned Subsidiary Companies, namely foreign subsidiary i.e SWAN AGRO RUS, LLC. The Holding Company has held 100% of the equity shares of Subsidiary Companies as on March 31, 2021, 2022 and 2023. The Restated Consolidated Financial Information of the Group have been prepared in accordance with notified Accounting Standard (AS) 21 ‘Consolidated Financial Statements’. The consolidated financial statements of the Group consolidate financial statements of the Holding Company and its subsidiary line-by line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income and expenses are eliminated on consolidation. The same accounting policies to subsidiary have been applied to ensure the consistency with the policies adopted by the Holding Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Holding Company’s standalone financial statements. The accounting policies are applied consistently to all the periods reported in the financial statements.

**C. Use of Estimates**

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the

reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### **D. ACCOUNTING CONVENTION**

The Company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

##### **1. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### **Sale of Goods**

Sales of goods are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

##### **Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

##### **2. Property, Plant and Equipment**

- a) Property, Plant and Equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by the management;
- c) Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on Tangible Assets in case of company is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on SLM basis as per the useful life prescribed under Schedule II to the Companies Act 2013.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

##### **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

##### **4. INVENTORIES**

Inventories are valued after providing for obsolescence, as follows:

Raw Materials -Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

## **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

Defined-contribution plans:

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Group has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end. Under the Gratuity Fund Plan, the holding company contributes to a LIC administered Group Gratuity Fund on behalf of employees.

## **6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material or other products. are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

## **7. CASH FLOW STATEMENT**

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

## **8. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

## **10. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



## 11. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## 13. SEGMENT REPORTING

The Company is having revenue; from its Business which are Automobile and Agricultural Equipment; of more than 10% of its total revenue.

Accordingly, as per AS-17 Segment Reporting, the company has identified business segment as its reportable segment. The divisions are the basis on which the company reports its primary segment information. The Automobile products segment produces precision machined tubular assemblies, welded assemblies, precision brackets and sheet metal parts. The Agricultural Equipment products segment manufactures rotovators, seeders, super seeders, weeders, potato planter, potato digger, fertilizer spreader, mulcher, puddler, laser land leveller, disc ploughs and many other agricultural implements. Financial information about business segments is presented in the below table :

### Information About Business Segment

(Rs in Lakhs)

Segment Reporting as at 31st March, 2021				
Sr. No.	Particulars	Automobiles	Agricultural Equipments	Total
1.	<b>Segment Revenue</b>			
	External Turnover (A)	7,225.42	7,711.39	14,936.81
	Inter Segment Turnover (B)	-	-	-
	Total Segment Revenue (A+B)	7,225.42	7,711.39	14,936.81
2.	Segment Assets	5,122.44	6,783.79	11,906.23
3.	Segment Liabilities	6,967.14	4,939.10	11,906.23
4.	Depreciation/Amortization	218.27	76.96	295.23
Segment Reporting as at 31st March, 2022				
Sr. No.	Particulars	Automobiles	Agricultural Equipment's	Total
1.	<b>Segment Revenue</b>			
	External Turnover (A)	7,812.15	6,734.56	14,546.71
	Inter Segment Turnover (B)	-	-	-
	Total Segment Revenue (A+B)	7,812.15	6,734.56	14,546.71
2.	Segment Assets	4,918.09	7,588.15	12,506.24
3.	Segment Liabilities	6,818.68	5,687.56	12,506.24
4.	Depreciation/Amortization	203.50	97.42	300.92
Segment Reporting as at 31st March, 2023				
Sr. No.	Particulars	Automobiles	Agricultural Equipment's	Total
1.	<b>Segment Revenue</b>			

	External Turnover (A)	9,335.06	5,780.98	15,116.04
	Inter Segment Turnover (B)	-	-	-
	Total Segment Revenue (A+B)	9,335.06	5,780.98	15,116.04
2.	Segment Assets	5,307.77	7,881.47	13,189.23
3.	Segment Liabilities	6,919.20	6,270.04	13,189.23
4.	Depreciation/Amortization	196.94	141.17	338.12

#### 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

<b>Details of Gratuity Expenses</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
<b><u>Profit and loss account for the period</u></b>			
Current service cost	12.86	14.13	15.96
Interest on obligation	3.70	3.55	2.48
Expected return on plan assets	-	-	-
Net actuarial loss/(gain)	(11.21)	(15.58)	(4.26)
Recognized Past Service Cost-Vested	-	-	-
Benefits paid	-	-	-
Loss (gain) on curtailments	-	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>5.35</b>	<b>2.10</b>	<b>14.18</b>
prior year charge	-	-	-
<b>Total Charge to P&amp;L</b>	<b>5.35</b>	<b>2.10</b>	<b>14.18</b>
<b><u>Reconciliation of defined benefit obligation</u></b>			
Opening Defined Benefit Obligation	49.44	47.33	33.14
Transfer in/(out) obligation	-	-	-
Current service cost	<b>12.86</b>	<b>14.13</b>	<b>15.96</b>
Interest cost	3.70	3.55	2.48
Actuarial loss (gain)	(11.21)	(15.58)	(4.26)
Past service cost	-	-	-
Benefits paid	-	-	-
prior year charge	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>54.79</b>	<b>49.44</b>	<b>47.33</b>
<b><u>Table of experience adjustments</u></b>			
Defined Benefit Obligation	-	-	-
Plan Assets	-	-	-
<b>Surplus/(Deficit)</b>	-	-	-
<b><u>Reconciliation of plan assets</u></b>			
Opening value of plan assets	-	-	-
Transfer in/(out) plan assets	-	-	-
Expenses deducted from the fund	-	-	-
Expected return	-	-	-
Actuarial gain/(loss)	-	-	-
Contributions by employer	-	-	-
Benefits paid	-	-	-
Closing value of plan assets	-	-	-
<b>Details of Gratuity Expenses</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
<b><u>Reconciliation of net defined benefit liability</u></b>			
Net opening provision in books of accounts	<b>49.44</b>	<b>47.33</b>	<b>33.14</b>
-Transfer in/(out) obligation	-	-	-
Transfer (in)/out plan assets	-	-	-
<b>Employee Benefit Expense</b>	<b>5.35</b>	<b>2.10</b>	<b>14.18</b>

Benefits paid by the Company	-	-	-
Contributions to plan assets	-	-	-
<b>Closing provision in books of accounts</b>	<b>54.79</b>	<b>49.44</b>	<b>47.33</b>
<b>Bifurcation of liability</b>			
Current Liability	9.18	6.96	4.91
Non-Current Liability	45.60	42.47	42.41
<b>Net Liability</b>	<b>54.79</b>	<b>49.44</b>	<b>47.33</b>
<b>Principle actuarial assumptions</b>			
Discount Rate	7.50%	7.50%	7.50%
Expected Return on Plan Assets	-	-	-
Salary Escalation Rate	5.00%	5.00 %	5.00 %
Withdrawal Rates	10.00%	10.00 %	5.00 %

## II. NOTES TO RESTATED SUMMARY STATEMENTS:

### 1. **Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for a contingent liability reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources.

### 2. **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

In the absence of information regarding outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act, 2013.

### 3. **Related Party Transactions**

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

### 4. **Director's Remuneration:**

(Rs. In Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
<b>Directors Remuneration</b>	39.28	23.55	23.55
<b>Total</b>	<b>39.28</b>	<b>23.55</b>	<b>23.55</b>

### 5. **Auditors' Remuneration :**

(Rs. In Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
Statutory & Tax Audit fees	7.25	6.50	6.50
<b>Total</b>	<b>7.25</b>	<b>6.50</b>	<b>6.50</b>

6. Figures have been rearranged and regrouped wherever practicable and considered necessary.

7. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

8. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

### 9. **Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

### 10. **Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### 11. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

### 12. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

There have been no audit qualifications/observations in Statutory Auditor's Report for F.Y. 2020-21, 2021-22, 2022-23 which requires adjustments in restated financial statements.

### 13. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

### **RECONCILIATION OF RESTATED PROFIT:**

(Rs In Lakhs)

Adjustments for	For the Year Ended		
	2022-23	2021-22	2020-21
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	1005.54	375.62	395.53
<b><u>Adjustments for:</u></b>			
Short/excess Provision of tax	22.04	33.57	34.11
Deferred Tax	1.89	1.03	4.34
Interest Expense	(30.74)	(31.05)	(37.13)
Other Expense	-	-	(17.50)
Interest on Income Tax	-	(12.32)	(21.13)
Provision for Gratuity	(5.36)	(2.11)	(14.19)
Provision for leave Encashment	(1.45)	(1.61)	(1.41)
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>991.93</b>	<b>363.14</b>	<b>342.63</b>

1. The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits
2. The depreciation charged by the company has been restated to the extent of changes in depreciation due to changes in the estimate in useful life of an assets as prescribed in schedule II of Companies Act, 2013.
3. Due to changes in Leave encashment and gratuity provision the deferred tax component on the same has also undergone change.
4. Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years and Mat Credit Availed.
5. Earlier interest on Income tax was not booked in the respective financial year, now the same has been restated.
6. Earlier interest on loan taken was not booked as finance cost but capitalized, now the same has been restated.

### **RECONCILIATION OF EQUITY AND RESERVES:**

(Rs In Lakhs)

Adjustments for	For the Year Ended		
	2022-23	2021-22	2020-21
Equity and Reserve as per Audited Balance sheet	3154.81	2149.27	1773.65
<b><u>Adjustments for:</u></b>			
Difference Due to Change in P&L	(13.61)	(12.48)	(52.90)

Prior period Adjustments (Refer Note-1)	(159.45)	(146.97)	(94.07)
<b>Equity and Reserve as per Re-stated Balance sheet</b>	<b>2981.75</b>	<b>1989.82</b>	<b>1626.68</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit:**

**Note: 1**

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

**ANNEXURE V  
SHARE CAPITAL AS RESTATED**

(₹ In Lakhs, Except no of shares)

Particulars	As at March 31,		
	2023	2022	2021
<b>EQUITY SHARE CAPITAL :</b>			
<b>AUTHORISED:</b>			
50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00	500.00
	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
35,00,060 Equity Shares of Rs. 10/- each	350.01	350.01	350.01
	<b>350.01</b>	<b>350.01</b>	<b>350.01</b>

**1. Terms/rights attached to equity shares:**

- i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
- ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. Reconciliation of number of shares outstanding at the end of the year:	As at March 31,		
	2023	2022	2021
Equity Shares at the beginning of the year	35,00,060.00	35,00,060.00	35,00,060.00
Add: Right issued during the year	-	-	-
Add: Bonus shares issued during the year	-	-	-
<b>TOTAL</b>	<b>35,00,060</b>	<b>35,00,060</b>	<b>35,00,060</b>

**3. Shareholders holding more than 5% of the aggregate shares of the company:**

Particulars	As at March 31, 2023	
	No. of share	% of Holding
i) Upkar Singh	35,00,000	99.998%
<b>Total</b>	<b>35,00,000</b>	<b>100.00%</b>

Particulars	As at March 31, 2022	
	No. of share	% of Holding
i) Upkar Singh	35,00,000	99.998%

<b>Total</b>	<b>35,00,000</b>	<b>100.00%</b>
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Particulars	As at 31 March 2021	
	No. of share	% of Holding
i) Upkar Singh	35,00,000	99.998%
<b>Total</b>	<b>35,00,000</b>	<b>100.00%</b>

#### 4. Change in the Shareholding of the Promoters:

Particulars	As at March 31, 2023		
	No. of share	% of Holding	Change of % During the year
i) Upkar Singh	35,00,000	100%	0.00%
ii) Kanwardeep Singh	10	0.00%	0.00%
iii) Barunpreet Singh Ahuja	10	0.00%	0.00%
<b>Total</b>	<b>35,00,020</b>	<b>100.00%</b>	<b>0.00%</b>

Particulars	As at 31 March 2022		
	No. of share	% of Holding	Change of % During the year
i) Upkar Singh	35,00,000	100%	0.00%
ii) Kanwardeep Singh	10	0.00%	0.00%
iii) Barunpreet Singh Ahuja	10	0.00%	0.00%
<b>Total</b>	<b>35,00,020</b>	<b>100.00%</b>	<b>0.00%</b>

Particulars	As at 31 March 2021		
	No. of share	% of Holding	Change of % During the year
i) Upkar Singh	35,00,000	100%	0.00%
ii) Kanwardeep Singh	10	0.00%	0.00%
iii) Barunpreet Singh Ahuja	10	0.00%	0.00%
<b>Total</b>	<b>35,00,020</b>	<b>100.00%</b>	<b>0.00%</b>

#### ANNEXURE VI RESERVE & SURPLUS AS RESTATED

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
<b>Opening Balance</b>	<b>1,639.81</b>	<b>1,276.67</b>	<b>1,028.11</b>
Add: Profit/(Loss) for the year	991.93	363.14	342.63
Less: Provision For Gratuity for Previous Years	-	-	-33.15
Less: Provision For Leave Encashment for Previous Years	-	-	-8.06
Less: Interest on loan	-	-	-46.69
Less: Interest on Income tax	-	-	-17.64
Add: Deferred Tax on Previous Year Expenses	-	-	11.46
<b>Closing Balance</b>	<b>2,631.74</b>	<b>1,639.81</b>	<b>1,276.67</b>
<b>TOTAL</b>	<b>2,631.74</b>	<b>1,639.81</b>	<b>1,276.67</b>

#### ANNEXURE VII LONG TERM BORROWING AS RESTATED

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
<b>Secured</b>			
<b>Bank Loan</b>			
Term Loan			
- Axis Bank	270.00	135.00	275.04

- HDFC Bank	1,483.00	1,403.66	761.96
- Bajaj Finance	427.69	770.79	1,074.77
<b>Total</b>	<b>2,181</b>	<b>2,309</b>	<b>2,112</b>
<b>Unsecured</b>			
From Director	88.60	93.60	-
From Corporate Entities	-	300.00	-
<b>Total</b>	<b>88.60</b>	<b>393.60</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>2,269.29</b>	<b>2,703.06</b>	<b>2,111.77</b>



**ANNEXURE VIII**  
**DEFERRED TAX LIABILITIES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Tax Effect of item constitution deferred			
Deferred tax liability/ Deferred Tax Assets			
WDV as per Income Tax Act	2,859.17	2,772.86	2,841.81
WDV as per Companies Act	4,323.83	4,088.61	4,018.25
<b>Timing Difference</b>	<b>1,464.66</b>	<b>1,315.75</b>	<b>1,176.44</b>
Deferred Tax Income	41.43	38.76	21.21
Add/(Less) : Opening Balance	366.04	327.29	306.08
Closing Balance	407.47	366.04	327.29
Nature of Deferred Tax	DTL	DTL	DTL
<b>TOTAL</b>	<b>407.47</b>	<b>366.04</b>	<b>327.29</b>

**ANNEXURE IX**  
**LONG TERM PROVISIONS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Gratuity Provision	45.61	42.47	42.42
Leave Encashment Provision	10.80	9.54	8.00
<b>TOTAL</b>	<b>56.40</b>	<b>52.02</b>	<b>50.41</b>

**ANNEXURE X**  
**SHORT TERM BORROWING AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
<b>I. Secured Loan</b>			
CC/ Over Draft Facilities	663.23	1,002.83	1,598.55
Current Maturities of Long Term Loan	852.77	968.27	704.95
<b>II. Unsecured Loan</b>			
From Director	36.41	126.44	164.04
From NBFC	94.01	-	1.23
<b>Total</b>	<b>1,646.41</b>	<b>2,097.53</b>	<b>2,468.78</b>

**ANNEXURE XI**  
**TRADE PAYABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
For Micro, small & medium enterprises	-	-	-
For Goods(Other)	4,187.01	4,381.93	4,617.84
<b>TOTAL</b>	<b>4,187.01</b>	<b>4,381.93</b>	<b>4,617.84</b>

Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

**ANNEXURE XII**  
**OTHER CURRENT LIABILITES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Advance from customer	238.18	233.48	117.22
Advance for Capital Goods	440.00	-	-
Other payables	5.50	0.52	4.25
Creditors for expenses	119.30	69.61	96.16
Statutory Liabilities	83.09	102.44	139.07
Employee Benefits Payables	125.35	143.74	83.30
<b>Total</b>	<b>1,011.42</b>	<b>549.79</b>	<b>439.99</b>

**ANNEXURE XIII**  
**SHORT TERM PROVISION AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Provisions :			
Provision For Tax( Net of Advance Tax)	286.48	177.07	94.10
Provision for Gratuity	9.19	6.97	4.92
Provision for Leave Encashment	1.74	1.54	1.48
Provisions for employee benefits	19.27	23.03	26.42
<b>Closing Balance</b>	<b>316.68</b>	<b>208.61</b>	<b>126.92</b>

**ANNEXURE XIV**  
**PROPERTY, PLANT, EQUIPMENTS & INTANGIBLE ASSETS**

(₹ In Lakhs)

**FY 2022-23**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Additions	Sale	Balance		Provided	Adj.	Balance		
	AS AT	During	During	AS ON	AS AT	During	During	AS ON	AS AT	AS AT
	01.04.2022	The Year	The Year	31.03.2023	01.04.2022	The Year	The Year	31.03.2023	31.03.2023	31.03.2022
<b>(A) TANGIBLE ASSETS</b>										
Land	965.98	21.52	-	987.50	-	-	-	-	987.50	965.98
Buildings	1,640.04	49.92	-	1,689.95	265.67	52.89	-	318.56	1,371.39	1,321.48
Plant and Machinery	3,050.88	558.47	119.33	3,490.01	751.32	194.98	23.24	923.06	2,566.96	2,127.82
Furniture and Fixtures	35.70	-	-	35.70	9.78	5.55	-	15.33	20.37	20.37
Vehicles	39.16	-	-	39.16	14.03	3.56	-	17.59	21.57	21.57
Electrical Installation	280.41	-	-	280.41	128.45	15.71	-	144.16	136.25	136.25
Office Equipment	60.47	-	0.54	59.93	36.35	6.88	0.13	43.10	16.83	17.37
Computers	43.55	0.35	-	43.90	31.42	4.11	-	35.53	8.37	8.02
Tools & Dies	43.86	77.35	22.43	98.78	19.86	24.65	0.48	44.02	54.76	-0.16
Racks & Bins	222.07	12.51	-	234.58	45.28	15.07	-	60.35	174.23	161.72
<b>Total(A)</b>	<b>6,382.12</b>	<b>720.11</b>	<b>142.30</b>	<b>6,959.93</b>	<b>1,302.16</b>	<b>323.40</b>	<b>23.86</b>	<b>1,601.70</b>	<b>5,358.23</b>	<b>4,780.42</b>
<b>(B) INTANGIBLE ASSETS</b>										
Computer Software	54.53	-	-	54.53	26.05	10.50	-	36.55	17.98	28.48
Intangible Assets	67.90	-	-	67.90	61.22	4.22	-	65.44	2.46	6.68
<b>Total(B)</b>	<b>122.42</b>	<b>-</b>	<b>-</b>	<b>122.42</b>	<b>87.27</b>	<b>14.72</b>	<b>-</b>	<b>101.99</b>	<b>20.44</b>	<b>35.15</b>
<b>(C) CAPITAL WORK IN PROGRESS</b>	<b>38.26</b>	<b>17.38</b>	<b>-</b>	<b>55.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55.64</b>	<b>38.26</b>
<b>Total(C)</b>	<b>38.26</b>	<b>17.38</b>	<b>-</b>	<b>55.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55.64</b>	<b>38.26</b>
<b>TOTAL</b>	<b>6,542.81</b>	<b>737.48</b>	<b>142.30</b>	<b>7,137.99</b>	<b>1,389.43</b>	<b>338.12</b>	<b>23.86</b>	<b>1,703.69</b>	<b>5,434.30</b>	<b>4,853.84</b>

**FY 2021-22**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		ADDITION	SALE	BALANC		PROVIDE	ADJ.	BALANC		
	AS AT	DURING	DURING	AS ON	AS AT	DURING	DURING	AS ON	AS AT	AS AT
	01.04.2021	THE YEAR	THE YEAR	31.03.2022	01.04.2021	THE YEAR	THE YEAR	31.03.2022	31.03.2022	01.04.2021
<b>(A) TANGIBLE ASSETS</b>										
Land	965.98	-	-	965.98	-	-	-	-	965.98	965.98
Buildings	1,596.02	44.02	-	1,640.04	213.16	52.51	-	265.67	1,374.37	1,382.86
Plant and Machinery	2,811.11	324.84	85.07	3,050.88	604.64	160.66	13.98	751.32	2,299.56	2,206.47
Furniture and Fixtures	34.90	0.80	-	35.70	5.90	6.23	-	12.13	23.57	29.00
Vehicles	32.06	7.10	-	39.16	99.82	18.03	-	117.85	-78.69	-67.75
Electrical Installation	280.41	-	-	280.41	43.77	4.25	-	48.02	232.39	236.65

Office Equipment	57.45	3.02	-	60.47	25.32	2.75	-	28.07	32.40	32.13
Computers	39.08	4.47	-	43.55	9.14	27.37	2.69	33.82	9.73	29.94
Racks & Bins	206.99	15.08	-	222.07	30.97	14.31	-	45.28	176.79	176.02
Tools & Dies	-	55.73	11.87	43.86	-	-	-	-	43.86	-
<b>Total(A)</b>	<b>6,024.00</b>	<b>455.06</b>	<b>96.94</b>	<b>6,382.12</b>	<b>1,032.71</b>	<b>286.12</b>	<b>16.67</b>	<b>1,302.16</b>	<b>5,079.96</b>	<b>4,991.29</b>
<b>(B) INTANGIBLE ASSETS</b>										
Computer Software	54.53	-	-	54.53	15.55	10.50	-	26.05	28.48	38.98
Intangible Assets	67.69	0.21	-	67.90	56.92	4.31	-	61.22	6.68	10.77
<b>Total(B)</b>	<b>122.21</b>	<b>0.21</b>	<b>-</b>	<b>122.42</b>	<b>72.47</b>	<b>14.80</b>	<b>-</b>	<b>87.27</b>	<b>35.15</b>	<b>49.75</b>
<b>(C) CAPITAL WORK IN PROGRESS</b>	<b>19.57</b>	<b>18.70</b>	<b>-</b>	<b>38.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.26</b>	<b>19.57</b>
<b>Total(C)</b>	<b>19.57</b>	<b>18.70</b>	<b>-</b>	<b>38.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.26</b>	<b>19.57</b>
<b>TOTAL</b>	<b>6,165.78</b>	<b>473.97</b>	<b>96.94</b>	<b>6,542.81</b>	<b>1,105.18</b>	<b>300.92</b>	<b>16.67</b>	<b>1,389.43</b>	<b>5,153.38</b>	<b>5,060.60</b>

**FY 2020-21**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		ADDITION S	SALE	BALANC E		PROVIDE D	ADJ.	BALANC E		
	AS AT	DURING	DURING	AS ON	AS AT	DURING	DURING	AS ON	AS AT	AS AT
	01.04.2020	THE YEAR	THE YEAR	31.03.2021	01.04.2020	THE YEAR	THE YEAR	31.03.2021	31.03.2021	31.03.2020
<b>(A) TANGIBLE ASSETS</b>										
Land	954.91	11.07	-	965.98	-	-	-	-	965.98	954.91
Buildings	1,428.36	167.66	-	1,596.02	167.74	45.42	-	213.16	1,382.86	1,260.62
Plant and Machinery	2,658.65	152.46	-	2,811.11	429.61	175.03	-	604.64	2,206.47	2,229.04
Furniture and Fixtures	11.44	23.47	-	34.90	3.07	1.18	-	4.25	30.66	8.37
Vehicles	32.06	-	-	32.06	6.80	4.24	-	11.04	21.02	25.26
Electrical Installation	278.00	2.42	-	280.41	81.46	31.26	-	112.71	167.70	196.54
Office Equipment	55.38	2.06	-	57.45	23.05	6.56	-	29.61	27.83	32.33
Computers	26.89	12.19	-	39.08	19.12	7.21	-	26.33	12.75	7.77
Racks & Bins	201.44	5.55	-	206.99	17.43	13.54	-	30.97	176.02	184.01
<b>Total(A)</b>	<b>5,647.13</b>	<b>376.87</b>	<b>-</b>	<b>6,024.00</b>	<b>748.28</b>	<b>284.43</b>	<b>-</b>	<b>1,032.71</b>	<b>4,991.29</b>	<b>4,898.85</b>
<b>(B) INTANGIBLE ASSETS</b>										
Computer Software	13.13	41.40	-	54.53	9.28	6.27	-	15.55	38.98	3.84
Intangible Assets	57.34	10.35	-	67.69	52.78	4.14	-	56.92	10.77	4.56
<b>Total(B)</b>	<b>70.46</b>	<b>51.75</b>	<b>-</b>	<b>122.21</b>	<b>62.06</b>	<b>10.40</b>	<b>-</b>	<b>72.47</b>	<b>49.75</b>	<b>8.40</b>
<b>(C) CAPITAL WORK IN PROGRESS</b>	<b>8.95</b>	<b>10.61</b>	<b>-</b>	<b>19.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.57</b>	<b>8.95</b>
<b>Total(C)</b>	<b>8.95</b>	<b>10.61</b>	<b>-</b>	<b>19.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.57</b>	<b>8.95</b>
<b>TOTAL</b>	<b>5,726.55</b>	<b>439.24</b>	<b>-</b>	<b>6,165.78</b>	<b>810.34</b>	<b>294.83</b>	<b>-</b>	<b>1,105.18</b>	<b>5,060.60</b>	<b>4,916.20</b>

**ANNEXURE XV  
NON CURRENT INVESTMENTS**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Investment in New swan Technologies Limited	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**ANNEXURE XVI  
LONG TERM LOANS & ADVANCES**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Unsecured, considered good Security deposits			
Security deposits	114.85	109.85	114.39
Loan to New Swan Technology Limited	-	-	-
<b>TOTAL</b>	<b>114.85</b>	<b>109.85</b>	<b>114.39</b>

**ANNEXURE XVII  
OTHER NON-CURRENT ASSETS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Fixed Deposits with banks	141.30	95.52	45.31
<b>TOTAL</b>	<b>141.30</b>	<b>95.52</b>	<b>45.31</b>

**ANNEXURE XVIII  
INVENTORIES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Raw Materials and components	1,590.06	1,315.52	1,684.78
Work In Progress	1,278.96	846.78	1,033.68
Finished goods	833.97	556.13	681.52
Stores ,Spares and packing materials	956.87	248.34	241.29
Goods In Transit	18.92	38.54	170.20
<b>TOTAL</b>	<b>4,678.78</b>	<b>3,005.31</b>	<b>3,811.46</b>

**ANNEXURE XIX  
TRADE RECEIVABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
<b>(Unsecured considered good)</b>			
(a) Debts over six months	230.91	201.73	98.56
(b) Debts Less than six months	858.56	1,031.78	616.20
<b>TOTAL</b>	<b>1,089.47</b>	<b>1,233.52</b>	<b>714.76</b>

**ANNEXURE XX  
CASH & CASH EQUIVALENTS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
Cash & Cash Equivalents			
Cash in Hand	31.65	36.11	19.52
Balance with Schedule Banks in current account	199.05	179.57	253.53

<b>Total</b>	<b>230.69</b>	<b>215.67</b>	<b>273.05</b>
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**ANNEXURE XXI**  
**SHORT TERM LOANS & ADVANCES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
<b>(Unsecured considered good)</b>			
Advances recoverable in cash or in kind or for value to be received			
Advances to Suppliers	911.42	2,101.59	1,184.14
Advance to employee	31.48	34.43	33.97
Prepaid Expenses	2.52	14.30	16.59
<b>TOTAL</b>	<b>945.42</b>	<b>2,150.32</b>	<b>1,234.69</b>

**ANNEXURE XXII**  
**OTHER CURRENT ASSETS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
GST (ITC Balance)	222.89	262.23	374.90
TDS	0.11	0.50	0.50
TDS Recoverable	-	0.82	2.31
Interest Accrued	5.63	2.07	-
LIC Group Gratuity , Ludhiana	12.99	12.99	11.99
Minimum Alternate Tax (MAT)	-	106.62	125.71
<b>TOTAL</b>	<b>241.62</b>	<b>385.23</b>	<b>515.41</b>

**ANNEXURE XXIII**  
**REVENUE FROM OPERATIONS AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Revenue from Sale of Goods	14,788.82	14,267.39	14,689.81
	<b>14,788.82</b>	<b>14,267.39</b>	<b>14,689.81</b>
Other Operating Revenue			
Scrap	327.22	279.32	257.64
<b>Total</b>	<b>15,116.04</b>	<b>14,546.71</b>	<b>14,947.45</b>

**ANNEXURE XXIV**  
**OTHER INCOME AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Drawback Received	4.43	3.30	12.19
Exchange Rate Variance	11.65	-	-
Interest Received	6.81	2.07	0.15
Misc. Income	3.24	0.32	0.76
<b>Total</b>	<b>26.13</b>	<b>5.69</b>	<b>13.11</b>

**ANNEXURE XXV**  
**COST OF RAW MATERIAL CONSUMED AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Opening stock	1,315.52	1,684.78	1,405.42
Add: Purchase of Raw & Packing Material	10,206.26	9,123.22	9,899.71
	<b>11,521.78</b>	<b>10,808.00</b>	<b>11,305.13</b>
Add: Freight Charges	53.58	52.63	57.53
Less closing stock (Raw material)	1,590.06	1,315.52	1,684.78

Cost of Raw Material Consumed	9,985.29	9,545.11	9,677.88
<b>Total</b>	<b>9,985.29</b>	<b>9,545.11</b>	<b>9,677.88</b>

**ANNEXURE XXVI**  
**CHANGES IN INVENTORIES OF FINISHED GOODS**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
<b>Opening Inventory</b>			
<b>Finished Goods</b>			
- Auto Parts	258.53	360.59	224.71
- Scrap	47.99	4.22	-
- Agriculture Implements	249.61	316.71	661.05
<b>Work in progress</b>			
- Auto Parts	264.63	218.75	241.16
- Agriculture Implements	582.15	814.92	922.65
<b>Sub Total</b>	<b>1,402.91</b>	<b>1,715.20</b>	<b>2,049.57</b>
<b>Less: Closing Stock: Finished Goods</b>			
- Auto Parts	466.26	258.53	360.59
- Scrap	22.99	47.99	4.22
- Agriculture Implements	344.72	249.61	316.71
<b>Less: Closing Stock: Work in Progress</b>			
- Auto Parts	459.21	264.63	218.75
- Agriculture Implements	819.75	582.15	814.92
<b>Sub Total</b>	<b>2,112.92</b>	<b>1,402.91</b>	<b>1,715.20</b>
	<b>-710.02</b>	<b>312.29</b>	<b>334.37</b>

**ANNEXURE XXVII**  
**EMPLOYEE BENEFITS EXPENSE AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Salaries, Wages & Bonus	1,745.23	1,689.05	1,780.66
Contribution to PF & Other Funds	83.92	93.79	90.83
Director Remuneration	39.29	23.55	23.55
Gratuity	5.36	2.11	14.19
Leave Encashment	1.45	1.61	1.41
Staff Welfare Expenses	85.20	84.03	164.34
<b>Total</b>	<b>1,960.45</b>	<b>1,894.14</b>	<b>2,074.98</b>

**ANNEXURE XXVIII**  
**FINANCE COST AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Interest Expense:			
on Borrowings:			
Banks	292.49	330.73	287.29
Others	47.92	20.12	4.77
Bank Charges including processing fees	15.39	24.81	15.55
<b>Total</b>	<b>355.80</b>	<b>375.67</b>	<b>307.60</b>

**ANNEXURE XXIX**  
**DEPRECIATION AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021

Depreciation as per Note	323.40	286.12	284.43
Amortization	10.50	10.50	10.41
<b>Total</b>	<b>333.90</b>	<b>296.61</b>	<b>294.84</b>

**ANNEXURE XXX**  
**OTHER EXPENSES AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Advertisement & Publicity Expenses	13.18	17.70	5.06
Auditors Remuneratio	5.25	4.50	4.50
Balances Written off	-	-	17.50
Freight Charges	108.49	119.04	272.91
Consumable Stores	466.99	544.47	472.35
CSR	11.86	12.76	13.22
Diwali Expenses	0.20	2.08	0.10
Fees & Taxes	77.36	24.45	16.92
Interest on Income Tax	-	12.32	21.13
Insurance	34.21	25.12	31.28
Job Work Paid	331.38	119.44	236.24
Legal, Professional, Consultancy Charges	55.68	65.31	59.28
Loss On sale of Fixed Assets	7.86	9.38	-
Other Charges	33.77	37.59	64.04
Power and Fuel	230.77	216.91	223.00
Preliminary Expenses W/o	4.22	4.31	0.39
Rebates & Discounts	107.74	45.45	44.18
Rent	84.00	111.11	99.74
Repairs & Maintenance-Plant & Factory Bldg.	53.11	52.58	27.22
Repair & Maintenance - Others	48.36	17.74	21.20
Sale Promotion	54.56	28.76	3.67
Security Expenses	21.03	18.71	20.63
Testing Charges	8.78	14.67	34.43
Travelling & Conveyance	83.78	116.69	94.12
<b>Total</b>	<b>1,842.58</b>	<b>1,621.09</b>	<b>1,783.11</b>

**ANNEXURE XXXI**  
**CONTINGENT LIABILITIES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2023	2022	2021
In Respect of EPCG Licence & Interest thereon & for Empanalment of Company in Government Departments of various states	-	7.01	45.31
In respect of Bank Guarantee given	360.28	59.57	34.00
<b>Total</b>	<b>360.28</b>	<b>66.58</b>	<b>79.31</b>

**ANNEXURE –XXXII**  
**RELATED PARTY DISCLOSURES**

(i) Names of the related party and nature of relationship where control/significant influence exists

Directors and Key management personnel (KMP) and their relatives (if any)

Name of the related party	Nature of relationship
Directors & Key Management Personnel	
Upkar Singh	Chairman and Managing Director
Barunpreet Singh Ahuja	Whole Time Director
Kanwardeep Singh	Executive Director

Entities under the control/significant influences of Directors or KMPs or their relatives:

New Swan Autocomp Pvt Ltd



New Swan Components Pvt Ltd  
New Swan Technologies Ltd  
New Swan Techfab Private Limited  
Swan Innovations (partnership firm)  
New Swan Enterprises (partnership firm)

**Subsidiary Company:-**

Swan Agro Rus LLC

(iii) Details of transactions with related parties and balances

((₹ In Lakhs)

Name	Nature of transaction	31 March 2023	31 March 2022	31 March 2021
		Amt.	Amt.	Amt.
Upkar Singh	Loans & Advance Received	164.97	106.00	495.00
	Loans & Advance Repaid	260.01	50.00	645.00
	Closing Balance Receivable/(Payable)	(125.01)	(220.04)	(164.04)
Barunpreet Singh Ahuja	Remuneration	39.29	23.60	23.55
New Swan Enterprises	Purchase	4582.46	3640.00	3581.95
	Sales	1151.74	916.92	1377.95
New Swan Autocomp Pvt Ltd	Purchase	51.67	222.11	455.70
	Sales	0.23	24.36	11.68
New Swan Technologies Ltd	Purchase	343.11	87.97	63.36
	Sales	0.09	-	0.60
New Swan Components Pvt Ltd	Purchase	86.10	111.73	-
	Sales	0.24	-	-
New Swan Techfab Private Limited	Loans & Advance Received	-	300.00	-
	Loans & Advance Repaid	300.00	-	-
	Interest on Loan	4.33	8.69	-
	Closing Balance Receivable/(Payable)	-	(300.00)	-
New Swan Enterprises (partnership firm)	Sales	0.75	-	-
Swan Agro Rus LLC	Balance written off	-	-	17.50

**ANNEXURE -XXXIII  
STATEMENT OF TAX SHELTER**

((₹ In Lakhs)

Particulars	As at March 31		
	2023	2022	2021
Restated Profit before tax (A)	1,374.16	507.49	487.77
Tax Rate (%)	27.82%	27.82%	27.82%
MAT Rate	16.69%	16.69%	16.69%
<b>Adjustments :</b>			
Donation	-	-	-
Depreciation as per CA act, 2013	333.90	296.61	294.84
Interst on Late payment of Income tax & TDS	-	-	-
<b>Total Permanent Differences(B)</b>	333.90	296.61	294.84
<b>Timing Differences (C)</b>			
Interest on Income Tax Disallowed	-	-12.32	-21.13
CSR disallowed			
Gratuity & Leave Encashment	-6.81	-3.72	-15.60
Depreciation as per Income Tax act	501.70	453.33	428.26
<b>Total Timing Differences (C)</b>	494.89	437.29	391.53
<b>Income consider in House property Head (D)</b>	-	-	-
<b>Income consider in Other Income (E)</b>	-	-	-
<b>Net Adjustments F = (B+C+D+E)</b>	<b>-149.13</b>	<b>-127.92</b>	<b>-83.48</b>

Income From House Property			
Income From Other Source			
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gross Total Income</b>	<b>1,225.04</b>	<b>379.58</b>	<b>404.29</b>
Less: Deduction u/s 80 G	-	-	-
Taxable Income/(Loss) (A+D)	1,225.04	379.58	404.29
<b>Restated Profit for The Purpose of MAT</b>	<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
<b>Less: Adjustment related to Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Add: Amounts Written Back</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Taxable Income/(Loss) as per MAT</b>	<b>1,374.16</b>	<b>507.49</b>	<b>487.77</b>
<b>Income Tax as returned/computed</b>	<b>340.80</b>	<b>105.60</b>	<b>112.47</b>
<b>Tax paid as per normal or MAT</b>	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>

**ANNEXURE –XXXIV**  
**CAPITALISATION STATEMENT AS AT 31ST MARCH , 2023**

(₹ In Lakhs)

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
Borrowings		
Short term debt (A)	1,646.41	1,646.41
Long Term Debt (B)	2,269.29	2,269.29
Total debts (C)	3,915.70	3,915.70
Shareholders' funds		
Equity share capital	350.01	*
Reserve and surplus - as restated	2,631.74	*
Total shareholders' funds	2,981.75	*
Long term debt / shareholders funds	0.76	*
Total debt / shareholders funds	1.31	*

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.

**ANNEXURE : XXXV (A)**  
**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

<b>Particulars</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
EBITDA	2,022.34	1,149.28	1,061.56
Net Profit as Restated	991.93	363.14	342.63
Net Worth	2,981.75	1,989.82	1,626.68
Return on Net worth (%)	33.27%	18.25%	21.06%
Equity Share at the end of year (in Nos.) (Face Value Rs. 10)	35,00,060	35,00,060	35,00,060
Number of Equity Share outstanding as on the End of Year*	35,00,060	35,00,060	35,00,060
Weighted No. of Equity Shares (Considering bonus in all previous years)*	1,40,00,240	1,40,00,240	1,40,00,240
Basic and Diluted Earnings per Equity Share (Considering bonus in all previous years)	7.09	2.59	2.45
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	85.19	56.85	46.48
Net Asset Value/Book Value per Equity share (Considering bonus in all previous years)	21.30	14.21	11.62

Bonus issue of 1,05,00,180 Equity Shares of Face Value of ₹ 10/- each in the ratio of 3:1 i.e. Three (3) Bonus Equity Share for every One (1) Equity Shares held by shareholders.

**Note:**

1. The ratios have been computed as below:
  - a) Basic earnings per share (Rs.): - Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.

- b) Diluted earnings per share (Rs.) :- Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS.
- c) Return on net worth (%):- Net profit after tax (as restated) / Net worth at the end of the period or year.
- d) Net assets value per share:- Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.
2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year
3. Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).
4. The figures disclosed above are based on the restated summary statements of the Company.
5. EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

**ANNEXURE : XXXV (B)**  
**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

Sr. No.	Ratios	Formula Heads	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
1	Current Ratio (in times)	Current Assets/ Current Liabilities	1.00	0.97	0.86
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	1.31	2.41	2.82
3	Debt Service Coverage Ratio (in times)	EBIT/ (Interest Expense + Current payment of Principal amount)	1.56	0.67	0.79
4	Return on Equity Ratio (in %)	Profit after tax/ Equity	33.27%	18.25%	21.06%
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	2.41	2.89	2.73
6	Trade Receivables Turnover Ratio (in times)	Average Trade Receivables/ Sales	0.07	0.08	0.05
7	Trade Payables Turnover Ratio (in times)	Average Trade Payables/ Net Credit Purchases	0.42	0.49	0.46
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	617.97	(58.70)	(13.54)
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	6.56%	2.50%	2.29%
10	Return on Capital Employed (in %)	Profit before tax and finance costs/ Equity and borrowings	24.86%	12.64%	12.56%
11	Return on Investment (in %)	Net Return on Investment / Cost of Investment	4.82%	2.17%	0.33%

B	Additional Information to The financial statements:-			
1	Value of imports by the company during the financial year in respect of :			
Sr	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(a)	Imports	-	-	-
	Total	-	-	-
2	Value of Exports s by the company during the financial year in respect of :			
Sr	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(a)	Export of goods	294.70	109.78	278.89
	Total	294.70	109.78	278.89

## **OTHER FINANCIAL INFORMATION**

The audited financial statements of our Company as at and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.swanagro.in](http://www.swanagro.in).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) Red Herring Prospectus (iii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLMS, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Profit After Tax (₹ in lakhs)	991.93	363.14	342.63
Basic & Diluted Earnings per Share (Based in Weighted Average Number of Shares)	7.09	2.59	2.45
Return on Net Worth (%)	33.27%	18.25%	21.06%
NAV per Equity Shares (Based on Actual Number of Shares)	85.19	56.85	46.48
NAV per Equity Shares (Based on Weighted Average Number of Shares)	21.30	14.21	11.62
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ in lakhs)	2,022.34	1,149.28	1,061.56

**STATEMENT OF FINANCIAL INDEBTEDNESS****Date:** September 28, 2023

**To,**  
**The Board of Directors,**  
**New Swan Multitech Limited**  
 3rd floor, Vardhman Crown Mall,  
 Plot No. 2, Sector-19, District Court Complex  
 Dwarka, New Delhi, South West Delhi – 110 075, India

**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of New Swan Multitech Limited and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 31<sup>st</sup> March, 2023 are mentioned below.

**A. SECURED LOANS****STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY=**

Sr. No.	Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanction Date	Sanctioned Amount	Rate of interest	Re-Payment Schedule	31st March, 2023
1	HDFC BANK LIMITED	Bbg -WC Term Loans	88097516	11.07.2023	1000	9% The spread will be modified basis the TBILL rate applicable on the loan booking date	48 Months	2,142.60
		Bbg -WC Term Loans			700	9.75 % The spread will be modified basis the TBILL rate applicable on the loan booking date	120 Months	
		Bbg -WC Term Loans			500	9.38 % The spread will be modified basis the TBILL rate applicable on the loan booking date	72 Months	
		Bank Guarantee			23	1%	365 Days	
		Bank Guarantee			2.56	1%	1000 Days	
		BBG-WCTL-GECL			330.46	9.25% The spread will be modified basis the TBILL rate applicable on the loan booking date	48 Months	

Sr. No.	Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanction Date	Sanctioned Amount	Rate of interest	Re-Payment Schedule	31st March, 2023
		Bill Discounting			1,500.00	9.95% The spread will be modified basis the TBILL rate applicable on the loan booking date	12 Months	
		Cash Credit			1,500.00	9.95% The spread will be modified basis the TBILL rate applicable on the loan booking date	12 Months	
		Capex LC			400.00	1%	365 Days	
		Letter of Credit			400.00	1%	365 Days	
2	AXIS BANK LIMITED	WCTL under ECLGS facility	AXISB/CBG/LDH/SL/2021-22/273	29.03.2022	500.00	7.50% p.a.	12 Months	774.13
		Term Loan-921060049978 (run down balance)			270.00		Residual Tenor	
		Cash Credit			206.00		Residual Tenor	
3	HDFC BANK LIMITED	Car Loan HDFC A/C (Breeza)	97137711	21.12.2019	7.87	7.65%	60 Monthly Installments of Rs. 16280 Per month	3.29
4	HDFC BANK LIMITED	Car Loan HDFC A/C (Baleno)	121678657	18.08.2021	6.51	8.85%	Monthly Installments (Rs. 13090 per Month)	4.81
5	BAJAJ FINANCE LIMITED	General Purpose Loan Facility (ECLGS)	P401ATL0483395	24.03.2021	4.00	12.40%	Term Loan -II=39 months	771.84
					4.00		Term Loan- III= 64months	
					6.00		Term Loan -IV=04 years including 12 months moratorium period	
					3.97		STRL Adhoc 60 Days	
Total								3,696.68

**Note-1 (HDFC Bank Limited)**

**Primary Security**

1 Debtors, Factory Land and Building, FDR, Industrial Property, Inventory Held by the Company

**Collateral Security:-**

- 1 C - 214, Phase Viii Dainik Jagran Road Focal Point , Point Focal Point Punjab 141010
- 2 Adjoining Police Chowki Village Paharuwal, Sub Tehsil, Koom Kalan Near Budhewal Sugar Mill Budhewal Sugar, Mill Kohara Punjab 141112
- 3 Mc No B-18-660/1, Model Town Plot No. 327-1 Near Lal, Kothi Ludhiana Punjab 141001
- 4 New Swan Multitech Limited Kohara Machiwara Road, Namdhari Seeds Kohara Punjab 141112

**Personal Guarantee**

- 1 New Swan Technologies Limited
- 2 New Swan Auto Comp Pvt Ltd
- 3 Upkar Singh
- 4 Kanwardeep Singh
- 5 Barunpreet Singh Ahuja.

**Note: 2 (Axis Bank)**

**Primary Security:**

1. CC Limit – First Parri Passu charge with HDFC Bank on the current Assets of the company.
2. Term Loan- First Parri Passu with Bajaj Finance and HDFC Bank on P&M / Miscellaneous Fixed Assets ( Present & Future)except Vehicles /assets financed by any other bank/Financial Institution.

**Collateral Security:**

Equitable mortgage on following properties:

1. First Pari Pasu Charge with Bajaj Finance on Land & Building of Gujarat Plant located at Plot No. 351/P, Near Vitthalapur Cross Road, Near Golden Enclave, Village – Vitthalapur, Taluka Mandal, District Ahmedabad , Gujarat -382120 having area of 18,414sq meter owned by company.

**Personal Guarantee**

1. Upkar Singh
2. Barunpreet Singh Ahuja.
3. Kanwardeep Singh

**Note: 3 (Bajaj Finance Limited)**

**Collateral Security**

- 1 Land and Building & Movable FA of Gujrat Plant located at, Plot No. 351/P, Village Vitthalapur, Taluka-Mandal, Distt. Ahmedabad, Gujrat owned by the Company
- 2 P&M with min assets cover of 1.25x.
- 3 Industrial property - Plot No. B-43, Auto Zone, Industrial Area Karoli, Bhiwadi (Raj)
- 4 Land and Building & Movable FA of Gujrat Plant located at Plot No. 351/P, Village Vitthalapur, Taluka-Mandal, Distt. Ahmedabad, Gujrat owned by the Company

**Personal Guarantee**

- 1 Upkar Singh
- 2 Barunpreet Singh Ahuja.

## B. UNSECURED LOANS

### From Bank & NBFC

								(Rs. in Lakhs)
Sr. No.	Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanction Date	Sanctioned Amount	Rate of Interest	Re-Payment Schedule	31st March, 2023
1	Mahindra Fin Serv Limited	Working Capital	ITLMC3U22321023	02.09.2023	150.00	12.80%	19 monthly Installment (Rs. 9.17 Lakhs Each)	94.01
<b>TOTAL</b>								<b>94.01</b>

### From Others

Name of Lender	Purpose	Re-Payment Schedule	31st March, 2023 (Rs. in Lakhs)
UPKAR SINGH	Business Loan	Repayable on demand	125.01
<b>TOTAL</b>			<b>125.01</b>

Yours faithfully,

For A D V & Associates

Chartered Accountants

Firm Registration Number: 128045W

Sd/-

CA Pratik Kabra

Partner

Membership No: 611401

Date: Sept 28, 2023

Place: Mumbai

UDIN: 23611401BGUOJP8617



## **MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “Financial Information of the Company” beginning on page 141. You should also read the section titled “Risk Factors” on page 22 and the section titled “Forward Looking Statements” on page 17 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor September 28, 2023 which is included in this Draft Red Herring Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year*

### **OVERVIEW**

Incorporated in 2014, we are an engineering-led manufacturer of (i) complex and critical precision engineered components and parts used in automotive sector (“**auto components**”) and (ii) agricultural farm machineries designed to meet the diverse needs of modern farming (“**agricultural implements**”). Within the automotive sector, we manufacture, procure and supply a range of precision machined tubular assemblies, welded assemblies, precision brackets and sheet metal parts. Our wide range of offerings in this segment includes link assembly engine hangers, hinge body covers, front cover stay components, seat catch components, fuel filler cap components, main stand complete assemblies, front fender stay assemblies, engine guard plates, rear brake arm assemblies, separator breather, cable guide assemblies, battery tray components and many other parts, that are critical for the two-wheeler vehicles and various type of brackets such as cooling recovery reservoir brackets, exhaust tailpipe brackets, fuse block brackets, floor panel brackets, air cleaner inlet hose brackets for the passenger car vehicles.

Within the agricultural implements sector, we design, manufacture and supply a comprehensive range of agricultural implements that cater to different aspects of farming such as soil preparation, sowing, crop management, harvesting and crop residue management. Our wide range of offering in this segment includes various type of rotovators, seeders, super seeders, weeders, potato planter, potato digger, fertilizer spreader, mulcher, puddler, laser land leveller, disc ploughs and many other agricultural implements. We manufacture agricultural implements from our manufacturing unit located at Village Raian, Ludhiana, Punjab. The said unit was established in F.Y. 2014-15 and is located at a plot area of 6.74 acres, and is equipped with various machineries such as Broach Machine, Center Facing Machine, Beam Furnace, Deburring Machine, Gear Hobbing, Gear Shaver, Hydraulic Press, Laser Machine, Milling Machine, Plasma Machine, Power Grid, Cylindrical Grinder Machine, Drill Machines, Diameter Grinder, Laser Marking Machine etc. For Fiscal 2023, our revenue from operations were Rs. 15,116.04 Lakhs of which we derived 60.70% of revenue from auto components segment and 37.13% from agricultural implements segment.

The auto components are manufactured from our manufacturing unit based at Village Vithlapur, Ahmedabad, Gujarat, which was established in F.Y. 2015-16. The said unit is located at a plot area of 10 acres and is equipped with various machineries such as Robotic Welding Machines, lathe machine, surface grinder machine, press machine, paint shop setup etc. Our products are subject to stringent quality checks and testing in laboratories at our facilities. We have well-equipped laboratory, modern technology and testing equipment’s with supporting environment and facilities, to ensure that the products conform with the desired quality. Our R&D capabilities include in-house tool designing, design simulation, prototyping and testing abilities such as CMM (Faro Arm 6 Axis-3D), Weld Penetration, Universal Testing Machine, Salt Spray Testing Machine, Humidity Testing Machine, Hardness Tester. We also procure certain of the auto-components in the finished and unfinished form (bought out parts) from our Promoter Group entity, M/s New Swan Enterprises which includes fuel cap & bracket for seat latch, stay stopper rubber, body cover, plate engine guards, side stand and various other items.

As on date of this DRHP, our product portfolio has over 300 SKU’s of agricultural implements and auto components. We also own 5 design registrations relating to our agricultural implements i.e. Mulcher, power weeder, crop planter, potato harvester and potato planter which are registered with the Patent Office, Government of India. In automotive segment, we supply most of our products directly to OEMs in finished (machined) condition. In the two-wheeler vertical, we have relationship spanning over 6 years with Honda Motorcycle and Scooter India (“HMSI”), which is our largest customer in terms of revenue for Fiscal 2023, over 3 years with MG Motors to which we supply passenger car components and over 3 years with Mahindra & Mahindra to which we supply agricultural implements. Within the domain of agricultural implements, our product distribution encompasses an extensive network of over 200 dealers, covering 11 states in India. Our reach also extends to supplying agricultural implements to notable OEMs such as Mahindra & Mahindra, John Deere India Pvt. Ltd. etc. We also export our agricultural implements to countries like Mauritius, Russia, Kazakhstan, South Africa, Sudan and Nepal. In fiscal 2023 and 2022, we derived 2.08% and 1.39% of our revenue from exports.

## Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	15,116.04	14,546.71	14,947.45
EBITDA <sup>(2)</sup>	2,022.34	1,149.28	1,061.56
EBITDA Margin <sup>(3)</sup>	13.38%	7.90%	7.10%
PAT <sup>(4)</sup>	991.93	363.14	342.63
PAT Margin <sup>(5)</sup>	6.56%	2.50%	2.29%
RoE(%) <sup>(6)</sup>	33.27%	18.25%	21.06%
RoCE (%) <sup>(7)</sup>	24.86%	12.64%	12.56%

### Notes:

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

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

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

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

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

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

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings.

## Explanation for KPI metrics

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

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to “Annexure IV of Restated Financial Statements” beginning on page 141 of this Draft Red Herring Prospectus.

## Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 22 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company's ability to successfully implement its growth strategy and expansion plans;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;

17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

### Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

Particulars	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
Revenue from operations	15,116.04	99.83	14,546.71	99.96	14,947.45	99.91
Other income	26.13	0.17	5.6865283	0.04	13.1054541	0.09
<b>Total Income</b>	<b>15,142.17</b>	<b>100.00</b>	<b>14,552.40</b>	<b>100.00</b>	<b>14,960.55</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of Material Consumed	9,985.29	65.94	9,545.11	65.59	9,677.88	64.69
Changes in inventories of finished goods	-710.02	-4.69	312.29	2.15	334.37	2.24
Employee Benefit Expenses	1,960.45	12.95	1,894.14	13.02	2,074.98	13.87
Finance Costs	355.80	2.35	375.67	2.58	307.60	2.06
Depreciation and Amortization Expenses	333.90	2.21	296.61	2.04	294.84	1.97
Other Expenses	1,842.58	12.17	1,621.09	11.14	1,783.11	11.92
<b>Total expenses</b>	<b>13,768.01</b>	<b>90.92</b>	<b>14,044.91</b>	<b>96.51</b>	<b>14,472.78</b>	<b>96.74</b>
<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax</b>	<b>1,374.16</b>	<b>9.08</b>	<b>507.49</b>	<b>3.49</b>	<b>487.77</b>	<b>3.26</b>
Prior Period Items	-		-		-	
Exceptional and Extra-ordinary items	-		-		-	
<b>Profit/(Loss) Before Tax</b>	<b>1,374.16</b>	<b>9.08</b>	<b>507.49</b>	<b>3.49</b>	<b>487.77</b>	<b>3.26</b>
<b>Tax Expense:</b>						
Tax Expense for Current Year	340.80	2.25	105.60	0.73	112.47	0.75
Deferred Tax	41.43	0.27	38.76	0.27	32.67	0.22
<b>Net Current Tax Expenses</b>	<b>382.23</b>	<b>2.52</b>	<b>144.35</b>	<b>0.99</b>	<b>145.14</b>	<b>0.97</b>
<b>Profit/(Loss) for the Year</b>	<b>991.93</b>	<b>6.55</b>	<b>363.14</b>	<b>2.50</b>	<b>342.63</b>	<b>2.29</b>

### Revenue from operations:

Revenue from operations mainly consists of revenue from sale of Agricultural Implements and Auto components.

### Other Income:

Our other income primarily comprises of Drawback received, Exchange Rate Variance, Interest Received and Misc. Income.

### Expenses:

Company's expenses consist of cost of material consumption, change in inventories of finished goods, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses.

### Cost of material consumed:

Our Cost of Material consumed comprises primarily of raw materials which includes CRC sheets, HR sheets, tubes, seamless tubes, fastner, drawbar EN 19, drawbar MS, MS strip, ERW pipe, sq pipe, coating powder and pretreatment chemicals. Our essential raw material for the production Auto Component is CRC sheets 1mm to 3mm, HR sheets 2mm to 5mm, erw tubes, fastner, drawbar EN 19, drawbar MS, MS strip, rubber components, coating powder and pretreatment chemicals. Our agricultural implements raw material included CRC sheets, HR sheets, tubes, seamless tubes, fastner, riger, springs, tines, drawbar EN 19, drawbar MS, MS strip, ERW pipe, sq pipe, forgings, casting, coating powder and pretreatment chemicals. We procure majority of the raw materials from the suppliers based in domestic market. We also procure certain of the auto-components in the finished and unfinished form (bought out parts) from our Promoter Group entity, M/s New Swan Enterprises which includes fuel cap & bracket for seat latch, stay stopper rubber, body cover, plate engine guards, side stand and various other components/parts.

### Change in inventories of finished goods and work in progress:

Our changes in the inventory comprises of changes in the finished goods & work in progress.

**Employee benefits expense:**

Our employee benefits expense primarily comprises of Salary & Wages, contribution to PF & Other funds, Director's remuneration and Staff welfare expenses.

**Finance Costs:**

Our finance cost includes Interest expense and Other Borrowing cost.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Land, Building, Plant & Machinery, Furniture & Fixtures, Computer, Tools & Dies etc.

**Other Expenses:**

Our other expenses include Expenses such as consumable stores, job work charges, freight charges, power & fuel, Rent, Repairs and Maintenance, Sale Promotion, Security Expenses, Testing Charges, Travelling & conveyance etc.

**Comparison of Financial Year 2023 with Financial Year 2022 (Based on Restated Financial Statements)****Total Income:**

Total income for the financial year 2022-23 stood at 15,142.17 Lakhs whereas in Financial Year 2021-22 the same stood at 14,552.40 Lakhs representing an increase of 4.05%. The main reason of increase in total income was:

- 1) Increase in revenue from Automotive components from ₹7,695.41 lakhs in FY 2021-22 to ₹9,175.71 lakhs in F.Y. 2022-23, representing an increase of 10.24% (y-o-y)

**Revenue from Operations:**

Revenue from Operations for the F.Y. 2022- 23 stood at ₹15,116.04 Lakhs whereas in F.Y. 2021-22 the same stood at ₹14,546.71 Lakhs representing an increase of 3.91%. The main reason for increase in revenue from operations were:

- 1) Increase in revenue from Automotive components from ₹7,695.41 lakhs in FY 2021-22 to ₹9,175.71 lakhs in F.Y. 2022-23, representing an increase of 10.24% (y-o-y)

**Other Income:**

For F.Y. 2022-23, other income has been increased to ₹26.13 Lakhs as against ₹5.69 Lakhs in the Financial Year 2021-22 representing an increase of 359.53% which is mainly due to increase in income from Exchange rate variance & interest received.

**Total Expenses:**

For F.Y. 2022-23, total expense has decreased to ₹13,768.01 Lakhs from ₹14,044.91 Lakhs in the financial year 2021-22 representing a decrease of 1.97%. Such decrease was mainly due to increase in closing inventory of finished goods & work in progress.

**Cost of Material consumed:**

For F.Y. 2022-23, cost of material consumed was increased to ₹9,985.29 lakhs from ₹9,545.11 lakhs in the F.Y. 2021-22 representing an increase of 4.61%. Such increase was due to increase in volume of business operations of the Company.

**Change in inventories of finished goods & work in progress:**

The Change in inventories of finished goods and work in progress for the financial year ended on March 31, 2023 stood at ₹ (710.02) Lakhs as compared to ₹312.29 lakhs in F.Y 2021-22. There is increase in the inventory of finished goods and work in progress for financial year 2022-23 as compared to the financial year 2021-22, due to increase in closing stock of finished goods and in work-in-progress as on March 31, 2023.

**Employee benefits expense:**

Our Company has incurred employee benefits expenses of ₹1,960.45 Lakhs during the financial year 2022-23 as compared to ₹1,894.14 Lakhs in the financial year 2021-22, representing an increase of 3.50%. The said increase is due to the increase in salaries and wages.

**Finance costs:**

Finance costs for the F.Y. 2022-23 has decreased to ₹355.80 Lakhs as against ₹375.67 Lakhs during the financial year 2021-22, representing a decrease of 5.29%, which is mainly due to the decrease in Interest Expenses and bank charges.

**Depreciation and Amortization Expenses:**

Depreciation for F.Y. 2022-23 stood at ₹333.90 Lakhs as against ₹296.61 Lakhs during the financial year 2021-22, representing an increase of 12.57% due to significant addition in assets in F.Y. 2022-23.

**Other Expenses:**

For F.Y. 2022-23, other expenses were ₹1,842.58 Lakhs as against ₹1,621.09 Lakhs during the financial year 2021-22. The increase of 13.66% was mainly due to increase in Freight Charges, Consumable Stores, Interest on Income Tax, Legal, Professional & Consultancy Charges, Testing Charges and Travelling & Conveyance charges.

**Restated Profit/ (Loss) before tax:**

For financial year 2022-23, it has increased to ₹1374.16 Lakhs as compared to ₹507.49 Lakhs in the financial year 2021-22, representing an increase of 170.77% majorly due to:

- Total income of the company has increased from ₹ 14552.40 lakhs in F.Y. 2021-22 to ₹ 15142.17 lakhs in F.Y. 2022-23.
- EBITDA margin has increased from 7.90% in F.Y. 2021-22 to 13.38% in F.Y. 2022-23, since the total expenses has not increased in proportion in F.Y. 2022-23 as compared to F.Y. 2021-22.

**Restated Profit/ (Loss) after tax:**

The Company reported Restated Profit after tax for the financial year 2022-23 at 991.93 Lakhs in comparison to ₹363.14 Lakhs in the financial year 2021-22, representing an increase of 173.15% majorly due to: -

- Total income of the company has increased from ₹ 14552.40 lakhs in F.Y. 2021-22 to ₹ 15142.17 lakhs in F.Y. 2022-23.
- EBITDA margin has increased from 7.90% in F.Y. 2021-22 to 13.38% in F.Y. 2022-23, since the total expenses has not increased in proportion in F.Y. 2022-23 as compared to F.Y. 2021-22.

**Financial Year 2022 Compared to Financial Year 2021 (Based on Restated Financial Statements)****Total Income:**

Total income for the financial year 2021-22 stood at ₹14,552.40 Lakhs as compared to ₹14,960.55 Lakhs in Financial Year 2020-21 representing a decrease of 2.73% which was on account of below reasons:

- 1) Decrease in revenue from Sale of agricultural implements from Rs. 7600.15 lakhs in FY 2020-21 to Rs. 6517.59 lakhs in F.Y. 2021-22, representing a decrease of 16.61% (y-o-y)

**Revenue from Operations:**

During the financial year 2021-22 the revenue from operation of our Company decreased to ₹14,546.71 Lakhs as against ₹14,947.45 lakhs in the Financial Year 2020-21, representing decrease of 2.68% which was on account of below reasons: -

- 1) Decrease in revenue from Sale of agricultural implements from Rs. 7600.15 lakhs in FY 2020-21 to Rs. 6517.59 lakhs in F.Y. 2021-22, representing a decrease of 16.61% (y-o-y)

**Other Income:**

During the F.Y. 2021-22, the other income of our Company decreased to ₹5.69 Lakhs as against ₹13.11 lakhs in the Financial Year 2020-21 representing decrease of 56.61%. The decrease in the other income was mainly due to duty drawback less received.

**Total Expenses:**

The Total Expenses for the financial year 2021-22 decreased to ₹14,044.91 Lakhs from ₹14,472.78 lakhs in the Financial Year 2020-21 representing decrease of 2.96%. Such decrease was due to decrease in the volume of business operations of the Company.

**Cost of Material consumed:**

The Cost of Material consumed for the financial year 2021-22 stood ₹9,545.11 Lakhs against ₹9,677.88 Lakhs in the Financial Year 2020-21 representing a decrease of 1.37%. Such decrease was due to decrease in business operations of the Company.

**Change in inventories of finished goods, work in progress and stock in trade:**

The Change in inventories of finished goods and work in progress for financial year 2021-22 has been decrease as compared to the financial year 2020-21 of 6.60% was due to decrease in closing stock of finished goods and work in progress as on March 31, 2022.

**Employee benefits expense:**

Our Company has incurred ₹1,894.14 Lakhs as Employee benefits expense during the financial year 2021-22 as compared to ₹2,074.98 Lakhs in the financial year 2020-21 representing a decrease of 8.72%, which was on account of decrease in salary and wages, Gratuity expenses and staff welfare expenses.

**Finance costs:**

These costs were for the financial Year 2021-22 increase to ₹375.67 Lakhs as against ₹307.60 Lakhs during the financial year 2020-21, representing an increase of 22.13% which was due to increase in interest expenses.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2021-22 stood at ₹296.61 Lakhs as against ₹294.84 Lakhs during the financial year 2020-21, representing an increase of 0.60% which was due to increase in fixed assets.

**Other Expenses:**

Our Company has incurred ₹1,621.09 Lakhs during the Financial Year 2021-22 on other expenses as against ₹1,783.11 Lakhs during the financial year 2020-21 representing decrease of 9.09% due to decrease in Job work paid, Testing Charges, Security expenses & other charges

**Restated Profit/ (Loss) before tax:**

Restated Profit before Tax for the financial year 2021-22 was ₹507.49 Lakhs as compared to Restated Profit before Tax of ₹487.77 Lakhs during the financial year 2020-21, representing an increase of 4.04%

**Restated Profit/ (Loss) after tax:**

The Restated Profit after tax for the financial year 2021-22 was ₹363.14 Lakhs as compared to Restated Profit after Tax of ₹342.63 lakhs during the financial year 2020-21, representing an increase of 5.99% on account of below reasons:

-Total expenses of the company has decreased to ₹14,044.91 lakhs in F.Y. 2021-22 from ₹14,472.78 lakhs in F.Y. 2020-21.

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 22 of the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 22, 96 and 174 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Total turnover of each major industry segment in which our Company operates**

(Rs. in lakhs)

Particulars	F.Y. ended March 31, 2023	% of Revenue	F.Y. ended March 31, 2022	% of Revenue	F.Y. ended March 31, 2021	% of Revenue
<b>Revenue From Agricultural implements (A)</b>						
Rotavators	4,567.89	30.22%	4,550.98	31.29%	4,836.18	32.38%
Other Implements	700.58	4.63%	1,665.99	11.45%	2,404.96	16.10%
Spare Parts	344.63	2.28%	300.62	2.07%	359.01	2.40%
<b>Total Revenue(A)</b>	<b>5,613.10</b>	<b>37.13%</b>	<b>6,517.59</b>	<b>44.80%</b>	<b>7,600.15</b>	<b>50.88%</b>
<b>Revenue From Automotive Components (B)</b>						
Two Wheeler Parts	8,951.80	59.22%	7,507.00	51.61%	6,900.26	46.20%
Four Wheeler Parts	223.91	1.48%	188.41	1.30%	178.76	1.20%
<b>Total Revenue (B)</b>	<b>9,175.71</b>	<b>60.70%</b>	<b>7,695.41</b>	<b>52.90%</b>	<b>7,079.02</b>	<b>47.40%</b>
<b>Scrap from (A) and (B) : (C)</b>	<b>327.23</b>	<b>2.17%</b>	<b>333.71</b>	<b>2.29%</b>	<b>257.64</b>	<b>1.72%</b>
<b>Total Revenue from Operations (A) + (B) + (C)</b>	<b>15,116.04</b>	<b>100.00%</b>	<b>14,546.71</b>	<b>100.00%</b>	<b>14,936.81</b>	<b>100.00%</b>

Note - Figures are based on standalone financial statements.

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**” on page 96 of this Draft Red Herring Prospectus, our Company has not announced any new product or service.

**7. Seasonality of business**

Our both auto-components and agricultural segments are subject to seasonality. For details, please refer to risk factor “**The cyclical and seasonal nature of automotive sales and production could adversely affect our auto-components business.**” and “**Our agricultural implements business is subject to climatic conditions and is cyclical in nature. Seasonal variations and unfavourable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition.**” on page 22 of this DRHP.

**8. Dependence on single or few customers**

Our business is dependent on the sale of our products to few key customers. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows. We are dependent on few key customers, especially Honda Motorcycle and Scooter India (“**HMSI**”), in the automotive sector. For Fiscals 2023 and 2022, HMSI contributed 50.12% and 46.00% of our revenue from operations, respectively, and our top five customers contributed 71.21% and 60.59% of our revenue from sale of products, respectively. The loss of these customers or a loss of revenue from sales to these customers may materially affect our business, financial condition, results of operations and cash flows. For further details, refer Risk Factor “**Our business is dependent on the sale of our products to few key customers. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.**”

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on pages 80 and 96 respectively of this Draft Red Herring Prospectus.

***10. Details of material developments after the date of last balance sheet i.e. March 31, 2023***

After the date of last Balance sheet i.e., March 31, 2023, the following material events have occurred after the last audited period:

- 1) Increase in Authorized Share Capital from ₹500.00 Lakhs to ₹2,000.00 Lakhs through EGM dated July 15, 2023.
- 2) The Board of Directors in their meeting held on July 29, 2023 allotted 1,05,00,180 Bonus shares in the ratio of 3:1 i.e. Three Equity shares for every one Equity share held by each shareholder.
- 3) The Company has passed a Board resolution in the meeting of Board of Directors dated September 25, 2023 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
- 4) The Company has passed a special resolution in the meeting of shareholders dated September 26, 2023 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
- 5) The Company has approved the Restated Consolidated Financial Statements for the financial year ended March 31, 2023, 2022 and 2021 in the Board meeting dated September 28, 2023.



## **CAPITALISATION STATEMENT**

**AS AT 31ST MARCH, 2023**

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
Borrowings		
Short term debt (A)	1,646.41	1,646.41
Long Term Debt (B)	2,269.29	2,269.29
Total debts (C)	3,915.70	3,915.70
Shareholders' funds		
Equity share capital	350.01	*
Reserve and surplus - as restated	2,631.74	*
Total shareholders' funds	2,981.75	*
Long term debt / shareholders funds	0.76	*
Total debt / shareholders funds	1.31	*

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors, Promoters and Subsidiary.*

*Our Board, in its meeting held on September 28, 2023, determined that outstanding legal proceedings involving the Company, its Directors, Promoter and subsidiary will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

<b>Case No.</b>	98519/2022
<b>Section/Code</b>	138 of and 142 of Negotiable Instrument Act, 1881
<b>Court/Authority</b>	In the Court of Ilqa Judicial Magistrate, Ludhiana
<b>Case Details</b>	The Complainant is into the business of manufacturing and exporting of farm machineries, and the accused was a proprietorship firm in the name of New Agri Junction. The Complainant supplied various products to the Accused on various dates on credit basis. The Complainant has alleged that at the time of the due payment the Accused issued two (02 Nos.) Cheques aggregating to Rs.6,27,288/-, which was subsequently dishonored due to insufficiency of funds. Subsequently, the Complainant sent a demand notice dated 29.11.2022 through their advocates to pay the due amount along an interest of 18% p.a. On failing to pay the necessary dues by the Accused, the complainant has filed a complaint before this Hon’ble Court to take cognizance against the accused persons under section 138 of and 142 of Negotiable Instrument Act, 1881.
<b>Status</b>	The proceeding pending before the Hon’ble court.

##### **(c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and regulatory authorities initiated against the Company.

##### **(d) Tax Proceedings**

<b>Nature of Proceedings</b>	<b>Number of cases</b>	<b>Amount involved* (₹ in lakhs)</b>
<b>Direct Tax</b>		
Income Tax	Nil	-
TDS defaults	6	5.16
<b>Indirect Tax</b>		
GST	Nil	-
<b>Total</b>	<b>6</b>	<b>5.16</b>

*\*To the extent quantifiable*

(e) **Other pending material litigations against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

(f) **Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the company, which have been considered material by the Company in accordance with the Materiality Policy.

**B. LITIGATIONS INVOLVING THE PROMOTERS AND DIRECTORS OF THE COMPANY**

(a) **Criminal proceedings against the Promoters and Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the promoters & directors of the company.

(b) **Criminal proceedings filed by the Promoters and Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Promoters and Directors of the company.

(c) **Actions by statutory and regulatory authorities against the Promoters and Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters and Directors.

(d) **Tax Proceedings:**

<b>Tax Liability</b>	<b>Number of cases</b>	<b>Amount Involved (₹ in lakhs)</b>
<b>Direct Tax – Income Tax</b>		
Upkar Singh	6	145.56
Barunpreet Singh Ahuja	1	8.38
Kanwardeep Singh	7	28.60
<b>Indirect Tax</b>	-	-
<b>Total</b>	<b>14</b>	<b>182.54</b>

(e) **Other pending material litigations against the Promoters and Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Promoters and Directors, which have been considered material by the Company in accordance with the Materiality Policy.

(f) **Other pending material litigations filed by the Promoters and Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Promoters and Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY**

As on date of Draft Red Herring Prospectus, our Group Companies does not have any pending litigation which can have a material impact on our Company.

**D. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company's trade payables as per the last restated financial statements as material dues for the Company.

The trade payables for the financial year ended on March 31, 2023 were ₹ 4187.01 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 209.35 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on September 28, 2023. As on March 31, 2023, there are 02 creditors to each of whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to them being approximately ₹ 2214.75 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure in relation to amount unpaid together with interest payable have not been furnished.

As on March 31, 2023, our Company owes amounts aggregating to ₹ 4187.01 lakhs approximately towards 629 trade creditors, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 174 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## **GOVERNMENT AND OTHER APPROVALS**

Except as mentioned below, our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Issue or continue our business activities and no further approvals are required for carrying on our present or proposed business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which we operate, see the section titled “**Key Industrial Regulations and Policies**” at page 110 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **I. APPROVALS FOR THE ISSUE**

The following approvals have been obtained in connection with the Issue:

#### **Corporate Approvals:**

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on September 25, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on September 26, 2023 authorized the Issue.
- c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated September 30, 2023.

#### **Approval from the Stock Exchange:**

- d) In-principle approval dated [●] from BSE for using the name of the Exchange in the offer documents for listing of the Equity Shares on SME Platform of BSE, issued by our Company pursuant to the Issue.

#### **Agreements with NSDL and CDSL:**

- e) The company has entered into an agreement dated [●] with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited.
- f) Similarly, the Company has also entered into an agreement dated [●] with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- g) The International Securities Identification Number (ISIN) of our Company is INE0GEN01012.

### **II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

S. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U34100DL2014PLC265736	Companies Act, 1956	Registrar of Companies, National Capital Territory of Delhi and Haryana	March 03, 2014	Valid until cancelled

### **III. GENERAL APPROVALS**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. TAX RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AAENC6137C	March 03, 2014	Valid until cancelled
2.	Tax Deduction Account Number (TAN) – Punjab	Income Tax Act, 1961	Income Tax Department, Government of India	PTLN12859A	May 05, 2018	Valid until cancelled
3.	Tax Deduction Account Number (TAN) - Gujarat	Income Tax Act, 1961	Income Tax Department, Government of India	AHMN07289C	*	*
4.	Certificate of Registration of Goods and Services Tax (Punjab)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	03AAECN6137C1ZX	Valid from July 01, 2017	Valid until cancelled
5.	Certificate of Registration of Goods and Services Tax (Gujarat)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	24AAECN6137C1ZT	Valid from July 01, 2017	Valid until cancelled
6.	Certificate of Registration of Goods and Services Tax (Rajasthan)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	08AAECN6137C1ZN	March 24, 2023	Valid until cancelled
7.	Certificate of Registration of Goods and Services Tax (Bihar)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	10AAECN6137C1Z2	Valid from July 01, 2017	Valid until cancelled

\*TAN certificate not available

#### B. INDUSTRIAL AND LABOUR LAW RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Udyam Registration Certificate	MSME Development Act, 2006	Ministry of Micro Small & Medium Enterprises, Government of India	UDYAM-PB-12-0010183	March 03, 2014	Valid until cancelled
2.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce & Industry, Director General of Foreign Trade, Office of the Additional Director General of Foreign Trade, CLA Delhi	0514026588	June 30, 2014	Valid until cancelled
3.	Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organisation	GJAH1393556	January 15, 2016	Valid until cancelled
4.	<b>Punjab Unit:</b>					
(a)	Factory License for factory unit situated at Vill Raian Koharpo heerana Machhiwara	Factories Act, 1948	Chief Inspector of Factories, Department of Labour, Punjab.	LDH0FL6987	May 23, 2014	December 31, 2023

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
	Road, East Ludhiana					
(b)	Employee State Insurance Corporation (Ludhiana)	E.S.I Act, 1948	Assistant Deputy Director	260004911200006 05	June 26, 2015	Valid until cancelled
(c)	Pollution Control Board(Punjab)	Air (Prevention & Control of Pollution) Act, 1981	Punjab Pollution Control Board	CTOA/Varied/LD H1/2022/1860258 4	May 24, 2022	June 30, 2027
5.	<b>Gujarat Unit:</b>					
(a)	Factory License for factory unit situated at 351-P Village Vithalpur, Mandal Ahmedabad	Factories Act, 1948	Directorate Industrial Safety and Health, Gujarat	License No: 21763	September 01, 2015	December 31, 2023
(b)	Pollution Control Board (Gujarat)	Air (Prevention & Control of Pollution) Act, 1981	Gujarat Pollution Control Board	AWH-110668	December 16, 2020	September 30, 2025
(c)	No Objection Certificate for Ground Water Extraction	Environment (Protection) Act, 1986	Government of India Ministry of Jal Shakti Department of Water Resources, River Development & Ganga Rejuvenation Central Ground Water Authority	CGWA/NOC/IND /ORIG/2021/1217 2	June 06, 2021	June 05, 2024


#### C. QUALITY CERTIFICATIONS:

Sr. No	Nature of Registration	Registration/ Licence	Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	ISO 9001:2015 for Quality Management System standard Design & Manufacturer of Implements for the Agricultural Industry	ISO 9001:2015	211QJA65	AQC Middle East LLC	January 01, 2022	January 05, 2025

#### D. Intellectual Property.

Our portfolio of intellectual property includes patents and trademarks. We own 5 design registrations relating to our agricultural implements i.e. Mulcher, power weeder, crop planter, potato harvester and potato planter which are registered with the Patent Office, Government of India. Our trademark details are as mentioned below.

Sr. No	Trade Mark/ Logo	Class	TM mark Type	Owner	Application No./ Registration Certificate No.	Date of Registration	Current Status
1	FEELKING	12	Word	New Swan Multitech Limited	3645333	27-03-2018	Registered
2	FEELKING	35	Word	New Swan Multitech Limited	3645334	27-03-2018	Registered
3	<i>Powering Innovative Farmers</i>	6	Device	New Swan Multitech Limited	3645335	27-03-2018	Registered
4	AGRO SWAN	6	Word	New Swan Multitech Limited	2735721	22-03-2019	Registered

5	AGRO SWAN	7	Word	New Swan Multitech Limited	2735722	22-03-2019	Registered
6	AGRO SWAN	35	Word	New Swan Multitech Limited	2735723	30-08-2016	Registered
7		35	Device	New Swan Multitech Limited	1647042	09-09-2017	Registered
8	<b>SWAN AGRO</b>	6	Device	New Swan Multitech Limited	3043728	17-12-2016	Registered
9	<b>SWAN AGRO</b>	35	Device	New Swan Multitech Limited	3043730	11-01-2020	Registered



\*Apart from above trademarks, we are also in use of  trademark, which we are using pursuant to the NOC given by the trademark owner, M/s New Swan Enterprises (Promoter Group entity), without any fees.

#### **IV. Approvals or Licenses applied to be received:**

1. Company has made an application for renewal of Consent to Operate under The Water (Prevention & Control of Pollution) Act, 1974 with Punjab Pollution Control Board for the Raian factory unit located at Ludhiana, Punjab, which is pending for approval.

#### **V. Approvals or Licenses pending to be applied:**

1. We are yet to apply for registration as Principal employer under Contract Labour Act, 1970
2. We are yet to apply for Shops and Establishment certificate for registered office at New Delhi



## **OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies (excluding our Subsidiary) with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if applicable) and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated September 28, 2023 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group companies if such company fulfills both the below mentioned conditions:

- i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and
- ii. Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, the following Companies are identified as our Group Companies:

1. New Swan Autocomp Private Limited
2. New Swan Components Private Limited
3. New Swan Technologies Limited
4. New Swan Techfab Private Limited

### **Details of our Group Companies:**

#### **1. New Swan Autocomp Private Limited**

New Swan Autocomp Private Limited was incorporated on January 01, 2002 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi.

<b>CIN</b>	U34300DL2002PTC209066
<b>PAN</b>	AADCN7170L
<b>Registered Office</b>	C-124, Naraina Industrial Area, Phase-1 Road No.12, Naraina New Delhi – 110 027.

#### **2. New Swan Components Private Limited**

New Swan Components Private Limited was incorporated on November 26, 2002 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi.

<b>CIN</b>	U34300HR2002PTC041055
<b>PAN</b>	AABCN8092R
<b>Registered Office</b>	Plot No.100, Sector 3, IMT, Manesar, Gurgaon, Haryana-122051.

#### **3. Newswan Technologies Limited**

Newswan Technologies Limited was incorporated on November 15, 2018 as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Chandigarh.

<b>CIN</b>	U34300PB2018PLC048638
<b>PAN</b>	AAGCN2868N
<b>Registered Office</b>	622, Industrial Area-B Ludhiana, Punjab-141001

#### **4. New Swan Techfab Private Limited**

New Swan Techfab Private Limited was incorporated on May 06, 2003 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Chandigarh.

<b>CIN</b>	U34300PB2003PTC025991
<b>PAN</b>	AACCN0385N
<b>Registered Office</b>	622, Industrial Area-B Ludhiana, Punjab.

## **Financial Information**

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of our group companies are available on the website of our company at <https://www.swanagro.in>

It is clarified that such details available on our group companies' websites do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Companies' website, as mentioned above, would be doing so at their own risk.

## **Litigations**

Our Group Companies does not have any pending litigation which can have a material impact on our Company.

## **Common pursuits among Group Companies**

As on the date of this Draft Red Herring Prospectus, except for New Swan Autocomp Private Limited, New Swan Components Private Limited and New Swan Technologies Limited, which are engaged in the auto components business, none of our Group Companies are engaged in the similar line of business as of our Company.

## **Nature and Extent of Interest of Group Companies**

### **a) In the promotion of our Company:**

Our Group Companies does not have any interest in the promotion of our Company.

### **b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with stock exchange:**

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of this Draft or proposed to be acquired by our Company:

### **c) In transactions for acquisition of land, construction of building and supply of machinery:**

None of our Group Companies have interest in any transactions for the acquisition of land, construction of building or supply of machinery.

## **Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section *“Other Financial Information –Related Party Transactions”* on page 165, there are no related business transactions with our Group Companies which would have an impact on the financial performance of our Company.

## **Business interest of our Group Companies in our Company**

Except as disclosed in the section *“Financial Information –Related Party Transactions”* and *“History and certain Corporate Matters”* on page 165 and page 120, our Group Companies have no business interests in our Company

## **Confirmations**

None of our Group Companies have its equity shares listed on any stock exchange

Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Corporate Approvals**

The Board of Directors, pursuant to a resolution passed at their meeting held on September 25, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on September 26, 2023 authorized the Issue.

#### **In-principal Approval**

Our Company has obtained in-principal approval from the SME Platform of BSE (BSE SME) for using its name in this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus pursuant to an approval letter dated [●] BSE which is the Designated Stock Exchange.

#### **Prohibition by SEBI, RBI or governmental authorities**

As on date of this Draft Red Herring Prospectus, we confirm that our Company, our Promoters, our Promoter Group, our directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our directors are associated with as promoter or directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

#### **Prohibition with respect to wilful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Red Herring Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than ten crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “SME Platform of BSE (BSE SME)”].

#### **We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLMS to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “*General Information – Underwriting*” beginning on page 53 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our

Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Managers submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Managers and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE (BSE SME). For further details of the arrangement of market making please refer to section titled ***“General Information- Details of the Market Making Arrangements for this Issue”*** beginning on page 53 of this Draft Red Herring Prospectus.
5. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of BSE and BSE Ltd. is the Designated Stock Exchange.
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.
11. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited (NSDL) dated [●] for establishing connectivity.  
*We have entered into tripartite agreement dated January 20, 2021 with CDSL with our prior Registrar i.e. CDSL Ventures Limited, and all the shares are in dematerialized form. Now, we have changed our Registrar to Bigshare Services Private Limited, and now are in process to re-enter into tripartite agreement with CDSL & fresh tripartite agreement with NSDL.*
12. Our Company has a website i.e. <https://www.swanagro.in/>
13. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of BSE.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:

- 1) Our Company was incorporated as a limited Company under the name of “New Swan Multitech Limited” on March 03, 2014 under the provisions of the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana, bearing registration number as 265736. The Corporate identification number of our Company is U34100DL2014PLC265736.
- 2) The post issue paid up capital of the company will be up to 1,90,16,240 shares of face value of ₹ 10/- aggregating up to ₹ 19.02 Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.
- 4) As on March 31, 2023, the Company has net tangible assets of ₹ 12,855.99 Lakhs.

- 5) The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 2 financial years out of preceding three financial years and its net-worth as on March 31, 2023, March 31, 2022 and March 31, 2021 is positive.

(₹ Lakhs)			
Particulars	March 31, 2023	March 31, 2022	March 31, 2021
EBITDA	2,022.34	1,149.28	1,061.56
Net worth	2,981.75	1,989.82	1,626.68
Cash accruals*	1708.06	804.11	782.61
Net tangible assets	12,855.99	12,313.65	11,719.93

\*Cash accruals is calculated as Profit after tax plus depreciation.

- 6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
- 7) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 8) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 9) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 10) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

#### DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGERS, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Delhi in terms of sections 26 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Macfos Limited	23.75	102.00	March 01, 2023	184.00	69.61% [0.71%]	174.41% [5.99%]	264.71% [9.40%]
2.	Systango Technologies Limited	34.82	90.00	March 15, 2023	98.00	110.56% [5.00%]	132.56% [10.28%]	206.22% [17.82%]
3.	Labelkraft Technologies Limited	4.75	55.00	March 23, 2023	56.00	0.27% [3.68%]	24.55% [9.66%]	58.18% [15.32%]
4.	Vasa Denticity Limited	54.06	128.00	June 02, 2023	211.00	156.13% [3.53%]	295.12% [3.88%]	N.A.
5.	Hemant Surgical Industries Limited	24.84	90.00	June 05, 2023	171.00	34.30% [4.23%]	40.41% [4.52]	N.A.
6.	Greenchef Appliances Limited	53.62	87.00	July 06, 2023	104.00	28.91% [0.51%]	N.A.	N.A.
7.	Kaka Industries Limited	21.23	58.00	July 19, 2023	110.20	170.78% [-3.20%]	N.A.	N.A.
8.	Asarfi Hospital Limited	26.94	52.00	July 26, 2023	98.80	154.04% [-2.73%]	N.A.	N.A.
9.	Kahan Packaging Limited	5.76	80.00	September 15, 2023	152.00	N.A.	N.A.	N.A.
10.	Madhusudan Masala Limited	23.80	70.00	September 26, 2023	120.00	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

1. The scrip of Vasa Denticity Limited and Hemant Surgical Industries Limited has not completed its 180<sup>th</sup> days from the date of listing; Greenchef Appliances Limited, Kaka Industries Limited and Asarfi Hospital Limited has not completed its 90<sup>th</sup> day from the date of listing and Kahan Packaging Limited and Madhusudan Masala Limited has not completed its 30<sup>th</sup> day from the date of listing.

#### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %
2021-22	6 <sup>(1)</sup>	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	15 <sup>(2)</sup>	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	7 <sup>(3)</sup>	210.25	-	-	-	3	2	-	-	-	-	-	-	-

- 1) The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively;
- 2) The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;
- 3) The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023.

**Statement on Price Information of Past Issues handled by Share India Capital Services Private Limited:**

S r. N o.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1.	Anmol India Limited	10.23	33	February 21, 2019	33.00	32.40 [-3.57%]	2266.26 [6.57%]	30.00 [-9.09%]	3211.86 [8.94%]	29.8 [-9.70%]	1429.66 [3.98%]
2.	Humming Bird Education Limited	2.15	132	March 28, 2019	132.00	141 [6.82%]	521.61 [1.35%]	104.36 [20.94%]	1046.3 [2.71%]	141 [6.82%]	551.42 [1.42%]
3.	Maiden Forgings Limited	23.84	63	April 06, 2023	63.00	60.27 [-4.33%]	25809.37 [6.66%]	82.17 [30.43%]	26700.32 [10.34%]	--	--
4.	Exhicon Events Media Solutions Limited	21.12	64	April 17, 2023	64.00	146.70 [129.22%]	25533.31 [5.90%]	218.65 [241.64%]	26885.34 [11.51%]	--	--
5.	A G Universal Limited	8.72	60	April 24, 2023	60.00	71 [18.33%]	24273.17 [-6.07%]	46.5 [-22.50%]	19745 [23.59%]	--	--
6.	Quicktouch Technologies Limited	9.33	61	May 02, 2023	92.00	128.65 [110.90%]	24056.99 [4.45%]	140.10 [129.67%]	23075.38 [0.18%]	--	--
7.	De Neers Tools Limited	22.99	101	May 11, 2023	190.00	176.25 [74.50%]	20181.42 [-25.33%]	245 [142.57%]	23201.75 [-14.15%]	--	--
8.	Krishca Strapping Solutions Limited	17.93	54	May 29, 2023	118.80	170.3 [215.37%]	37356.94 [77.35%]	280.5 [419.44%]	24998.12 [18.68%]	--	--

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over	Between 25-50%	Less than 50%	Over	Between 25-50%	Less than 50%	Over	Between 25-50%	Less than 50%	Over	Between 25-50%	Less than 50%



			50 %		n 25 %	50 %		n 25 %	50 %		n 25 %	50 %		n 25 %
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	6	103.93	-	-	1	4		1	-	-	-		-	-

**Note:**

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Managers. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Managers are provided.

**Track Record of past issues handled by Hem Securities Limited and Share India Capital Services Private Limited**

For details regarding track record of BRLMS to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLMS at [www.hesecurities.com](http://www.hesecurities.com) and [www.shareindia.com](http://www.shareindia.com).

**Disclaimer from our Company and the Book Running Lead Managers**

Our Company, the Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLMS accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Hem securities Limited & Share India Capital Services Private Limited), and our Company on September 28, 2023 and the Underwriting Agreement dated [●] entered into between the Underwriter, and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

**Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable



law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 Issue will be subject to jurisdiction of the competent court(s) in Delhi, 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. 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 sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC**

The Draft Red Herring Prospectus is being filed with BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India.

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

A copy of the Red Herring Prospectus/ Prospectus, along with the material contract & documents required to be filed, will be filed with the RoC through the electronic portal at <http://www.mca.gov.in>.

#### **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE Limited by way of its letter dated [●] for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within Six (6) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company\*, Book Running Lead Managers, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank\*, Syndicate Members\*, Underwriter to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. M.P. Arneja & Co., Chartered Accountants, Statutory Auditor and M/s. A D V & Associates, Chartered Accountants, Peer Review Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated Consolidated Financial Statements as included in this DRHP in the form and context in which they appear therein and such consent and reports has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

### **Experts Opinion**

Except for the reports in the section titled “*Financial Statements*” and “*Statement of Special Tax Benefits*” on page 141 and 78 respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Managers will be as per the (i) Agreement dated September 18, 2023 with the Book Running Lead Managers, (ii) the Underwriting Agreement dated [●] with the Underwriter and (iii) the Market Making Agreement [●] with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated September 27, 2023 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled "*Capital Structure*" beginning on page 55 of this Draft Red Herring Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Previous capital issue during the last three years by listed Group Companies of our Company**

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

### **Performance vis-à-vis objects**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there are no investors complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLMS for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLMS and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Vandana Arun Baldi, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

#### **Tanveer Kaur**

Company Secretary and Compliance Officer

#### **New Swan Multitech Limited**

**Address:** 310, Vardhman Crown Mall, Plot No. 2, Sector-19,  
District Court Complex, Dwarka, New Delhi- 110 075, India

**Tel. No.:** +91-161-4346000

**Email:** [cs@newswan.in](mailto:cs@newswan.in)

**Website:** [www.swanagro.in](http://www.swanagro.in)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Board by a resolution on August 24, 2023 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "***Our Management***" beginning on page 123 of this Draft Red Herring Prospectus.

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

#### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

#### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "***Statement of Special Tax Benefits***" beginning on page 78 of this Draft Red Herring Prospectus.

#### **Purchase of Property**

Other than as disclosed in Section "***Our Business***" beginning on page 96 of this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the

proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

#### **Capitalization of Reserves or Profits**

Save and except as stated in “*Capital Structure*” on page 55 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **Revaluation of assets**

There has not been any revaluation of assets since incorporation of the Company.

#### **Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled “*Our Management*” beginning on page 123 and chapter “*Financial Information*” beginning on page 141 of this Draft Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

#### **Exemption from complying with any provisions of securities laws, if any**

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

## **SECTION VIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid-cum-Application forms. Investor may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of upto 50,16,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on September 25, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on September 26, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “**Main Provisions of Article of Association**”, beginning on page 240 of this Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “**Dividend Policy**” and “**Main Provisions of Article of Association**” beginning on page 140 and 240 respectively of this Draft Red Herring Prospectus.

## Face Value and Issue Price

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMS, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Delhi edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLMS, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 240 of this Draft Red Herring Prospectus.

## Minimum Application Value, Market Lot and Trading Lot

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

Tripartite Agreement dated [●] between NSDL, our Company and Registrar to the Issue i.e., Bigshare Services Private Limited; and Tripartite Agreement dated [●] between CDSL, our Company and Registrar to the Issue i.e., Bigshare Services Private Limited;

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE (BSE SME) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Delhi.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## Issue Program

Event	Indicative Date
Bid/ Issue Opening Date	[●] <sup>1</sup>
Bid/ Issue Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about [●]



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

*<sup>2</sup>Our Company in consultation with the BRLMS, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMS shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Managers. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMS to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMS and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

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

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose

of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLMS, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMS, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMS and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “**General Information - Underwriting**” on page 53 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Book Running Lead Managers to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Book Running Lead Managers and the Market Maker please refer to section titled ***“General Information - Details of the Market Making Arrangements for this Issue”*** on page 53 of this Draft Red Herring Prospectus.

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

#### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled ***“Capital Structure”*** beginning on page 55 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled ***“Main Provisions of the Articles of Association”*** beginning on page 240 of this Draft Red Herring Prospectus.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

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

Our Company in consultation with the BRLMS, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLMS through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Managers are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten Crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“*SME Exchange*”, in this case being the BSE SME i.e., SME platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 203 and 213 of this Draft Red Herring Prospectus.

### **Issue Structure:**

Initial Public Issue of upto 50,16,000 Equity Shares of ₹ 10 each (*the “Equity Shares”*) for cash at a price of ₹. [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs (*“the Issue”*) by the issuer Company (the “Company”).

The Issue comprises a reservation of upto [●] Equity Shares of ₹ 10 each for subscription by the designated Market Maker (*“the Market Maker Reservation Portion”*) and Net Issue to Public of upto [●] Equity Shares of ₹ 10 each (*“the Net Issue”*). The Issue and the Net Issue will constitute 26.38% and [●] %, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	[●] Equity Shares
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

- <sup>(1)</sup> Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- <sup>(2)</sup> In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- <sup>(3)</sup> Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- <sup>(4)</sup> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid-cum- Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on pages 213 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (*one each in English and Hindi*) and one in regional newspaper.

The Book Running Lead Managers, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

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

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

### Issue Program

Event	Indicative Dates
Bid/ Issue Opening Date	[●] <sup>1</sup>
Bid/ Issue Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

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

*<sup>2</sup>Our Company in consultation with the BRLMS, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid-Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLMS to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **ISSUE PROCEDURE**

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.*

*Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Managers would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Draft Red Herring Prospectus.*

*This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.*

### ***Phased implementation of Unified Payments Interface***

*SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth*



transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLMS, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMS, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLMS, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic

copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMS.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLMS. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	[•]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[•]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[•]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLMS.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained

Sr. No.	Designated Intermediaries
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMS, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLMS.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the

Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **Applications not to be made by:**

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under

existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMS are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLMS will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Delhi edition of [●], a regional newspaper each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLMS and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Delhi edition of [●], a regional newspaper each with wide circulation where the registered office of the company is situated, and also by indicating the change on the websites of the Book Running Lead Managers.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLMS or their authorized agents to register their Bids. The BRLMS shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLMS (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLMS or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLMS or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLMS/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLMS shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e., one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “**Issue Procedure**” beginning on page 213 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.

- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLMS, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLMS, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates /Affiliates of BRLMS and the Syndicate Members**

The BRLMS and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMS and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLMS nor any persons related to the BRLMS (other than Mutual Funds sponsored by entities related to the BRLMS), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **Option to Subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Bidders**

1. Our Company and the Book Running Lead Managers shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLMS, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLMS.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLMS, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMS before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
11. The BRLMS, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLMS) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMS and made available as part of the records of the BRLMS for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMS and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under



the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLMS will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUF'S:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

## **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

## **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

## **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

## **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with

the Bid cum Application Form.

- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLMS in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMS may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLMS and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paidup share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMS or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Managers are not liable for any

amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Managers, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: - “New Swan Multitech Limited IPO – Anchor Account- R”
- b. In case of Non-Resident Anchor Investors: - “New Swan Multitech Limited IPO – Anchor Account- NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Managers on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum

Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMS at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLMS, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLMS and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLMS, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMS, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated [●]
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus/ Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;



3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

## **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMS and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLMS, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;  
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMS, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number

of Bidders in the category multiplied by number of Shares applied for).

- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director/ Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Managers and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;

2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLMS may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

#### **“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;

10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Managers undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated [●] between NSDL, our Company and Registrar to the Issue i.e., Bigshare Services Private Limited; and
- Tripartite Agreement dated [●] between CDSL, our Company and Registrar to the Issue i.e., Bigshare Services Private Limited;
- The Company's equity shares bear an ISIN INE0GEN01012.



## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/ restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/ statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **Investment by NRI or OCI on repatriation basis**

The purchase/ sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Managers 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. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY**

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on September 26, 2023. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

### **INTERPRETATION**

- I 1. In these regulations-
  - b. "the Act" means the Companies Act, 2013,
  - c. "the Company" means New Swan Multitech Limited
  - d. "the seal" means the common seal of the company.
- 2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- 2.
  - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.
  - iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 3.
  - i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
- 4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 5.
  - i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

- ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 6.
  - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- 7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
- 8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

- 9.
  - i. The company shall have a first and paramount lien
    - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
  - ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - iii. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- 10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made-
  - a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 11.
  - i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
  - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 12.
  - i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**

13.
  - i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
  
 Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
  - ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - iii. A call may be revoked or postponed at the discretion of the Board.
  - iv. That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.  
  
 The Board shall be at liberty to waive payment of any such interest wholly or in part.
17.
  - i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board -
  - a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and
  - b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **TRANSFER OF SHARES**

19.
  - i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
  - ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
  - iii. That a common form of transfer shall be used
20.
  - i. The Board may, subject to the right of appeal conferred by section 58 decline to register—
  - ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - iii. any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless—
  - a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

- b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c. the instrument of transfer is in respect of only one class of shares.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

23. i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- iii. That a common form of transmission shall be used
24. i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- a. to be registered himself as holder of the share; or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
- ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall-

- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30.     i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31.     i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32.     i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- iii. The transferee shall thereupon be registered as the holder of the share; and
- iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **ALTERATION OF CAPITAL**

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution-
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and
  - iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
  - v. Permission for sub-division/ consolidation of share certificates
36. Where shares are converted into stock,-
- the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-
- it share capital;
  - any capital redemption reserve account; or
  - any share premium account.

### **CAPITALISATION OF PROFITS**

38. The company in general meeting may, upon the recommendation of the Board, resolve-
- i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - ii. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - iii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
    - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
    - c. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - iv. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - v. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall-
- a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all
  - b. allotments and issues of fully paid shares if any; and
  - c. generally do all acts and things required to give effect thereto.
- ii. The Board shall have power-
- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- iii. Any agreement made under such authority shall be effective and binding on such members

### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.



## **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
- ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

## **PROCEEDINGS AT GENERAL MEETINGS**

43. i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

## **ADJOURNMENT OF MEETING**

47. i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **VOTING RIGHTS**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,
- i. on a show of hands, every member present in person shall have one vote;
- ii. and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- iii. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54.
  - i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **PROXY**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **BOARD OF DIRECTORS**

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:
  1. Upkar Singh
  2. Kanwardeep Singh
  3. Barunpreet Singh Ahuja
59. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
 

In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-

  - in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

65. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. i. A committee may elect a Chairperson of its meetings.
- ii. If no such Chairperson is elected, or if at any meeting the 72 Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. i. A committee may meet and adjourn as it thinks fit.
- ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act,
- i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief

executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

- ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

76. i. The Board shall provide for the safe custody of the seal.
- ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80. i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

#### **ACCOUNTS**

86. i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- ii. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **WINDING UP**

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated September 28, 2023 executed between our Company and the Book Running Lead Managers to the Issue.
2. Agreement dated September 27, 2023 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Managers, Banker to the Issue and the Registrar to the Issue.
4. Syndicate Agreement dated [●] among our Company, the Book Running Lead Managers and Syndicate Member.
5. Market Making Agreement dated [●] between our Company, Book Running Lead Managers and Market Maker.
6. Underwriting Agreement dated [●] between our Company, Book Running Lead Managers and Underwriter.
7. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated [●] among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated March 03, 2014 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.
3. Copy of the Board Resolution dated September 25, 2023 authorizing the Issue and other related matters.
4. Copy of Shareholder's Resolution dated September 26, 2023 authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
6. Statutory Auditors Report dated September 28, 2023 on the Restated Financial Information of our Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
7. Copy of the Statement of Special Tax Benefits dated September 28, 2023 from the Peer Review Auditor.
8. Certificate on KPI's issued by Statutory Auditors dated September 28, 2023
9. Consents of the Book Running Lead Managers, Legal Advisor to the Issue, Registrar to the Issue, Statutory Auditor of the Company, Market Maker, Underwriter, Bankers to our Company, Banker to the Issue/ Sponsor Bank, Syndicate Member, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
10. Board Resolution dated September 30, 2023 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
11. Due Diligence Certificate from Book Running Lead Manager dated September 30, 2023.
12. Approval from BSE vide letter dated [●] to use the name of BSE in the Red Herring Prospectus/ Prospectus for listing of Equity Shares on the BSE SME (SME Platform) of the BSE Ltd.

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Upkar Singh Chairman & Wholetime director DIN: 01588157	Sd/-

Date: September 30, 2023

Place: Ludhiana, Punjab

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Barunpreet Singh Ahuja Whole Time Director DIN: 03408885	Sd/-

Date: September 30, 2023

Place: Ludhiana, Punjab



### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Kanwardeep Singh Executive Director DIN: 01588162	Sd/-

Date: September 30, 2023  
Ludhiana, Punjab

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Manmeet Kaur Non-Executive Director DIN: 10333353	Sd/-

Date: September 30, 2023

Place: Ludhiana, Punjab

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Ajay Kumar Independent Director DIN: 07530257	Sd/-

Date: September 30, 2023

Place: Ludhiana, Punjab

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Gaurav Maheshwari Independent Director DIN: 10252288	Sd/-

Date: September 30, 2023

Place: Jaipur, Rajasthan

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Naveen Bhakoo Chief Financial Officer	Sd/-

Date: September 30, 2023  
Place: Ludhiana, Punjab

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Tanveer Kaur Company Secretary and Compliance Officer	Sd/-

Date: September 30, 2023

Place: Ludhiana, Punjab