(Please scan this QR code to view the RHP)

RED HERRING PROSPECTUS
Dated December 16, 2024
Please read Section 32 of the Companies Act, 2013
(*This Red Herring Prospectus will be updated upon filing with the RoC*)
100% Book Built Offer

CARRARO INDIA LIMITED

CORPORATE IDENTITY NUMBER: U52609PN1997PLC132629

REGISTERED OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India	Nakul Shivaji Patil *Company Secretary and Compliance Officer*	+91 2138 662666 company_secretary@carraroindia.com	www.carraroindia.com

OUR PROMOTERS: TOMASO CARRARO, ENRICO CARRARO, CARRARO S.p.A. AND CARRARO INTERNATIONAL S.E.

DETAILS OF THE OFFER

Type	Offer for Sale size	Total Offer size	Eligibility and share reservation among QIBs, NIIs and RIIs
Offer for Sale	[●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 12,500.00 million	[●] Equity Shares of face value of ₹ 10 each aggregating up to ₹12,500.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" on page 402. For details in relation to share reservation among QIBs, NIIs and RIIs, see "***Offer Structure***" beginning on page 423.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)^
Carraro International S.E.	Promoter Selling Shareholder	[●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 12,500.00 million	15.18

^*As certified by J.C. Bhalla & Co., Chartered Accountants, by way of their certificate dated December 16, 2024.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10 each. This being the first public offer of our Company, there has been no formal market for the Equity Shares. The Floor Price, Cap Price and Offer Price, each as determined by our Company in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "***Basis for Offer Price***" beginning on page 108, 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 RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 25.

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The Promoter Selling Shareholder accepts responsibility for and confirms only the statements expressly made or confirmed by the Promoter Selling Shareholder in this Red Herring Prospectus to the extent of information solely pertaining to itself and its Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of the Offer, NSE is the Designated Stock Exchange.

DETAILS OF BOOK RUNNING LEAD MANAGERS

Name and logo of Book Running Lead Managers		Contact Person	E-mail and Telephone
AXIS CAPITAL	Axis Capital Limited	Pavan Naik	**E-mail:** carraro.ipo@axiscap.in **Tel:** + 91 22 4325 2183
BNP PARIBAS	BNP Paribas	Nishanth Kukkadapu	**E-mail:** DL.CarraroIndia.IPO@bnpparibas.com **Tel:** +91 22 3370 4000
nuvama	Nuvama Wealth Management Limited	Manish Tejwani	**E-mail:** carraro.ipo@nuvama.com **Tel:** +91 22 4009 4400

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	E-mail and Telephone
Link Intime India Private Limited	Shanti Gopalkrishnan	**E-mail:** carraro.ipo@linkintime.co.in

				Tel: +91 81081 14949	
BID/ OFFER PERIOD					
Anchor Investor Bidding Date*	Thursday, December 19, 2024	**Bid/Offer opens on***	Friday, December 20, 2024	**Bid/ Offer closes on#**	Tuesday, December 24, 2024

** Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations.*
UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

RED HERRING PROSPECTUS
Dated December 16, 2024
Please read Section 32 of the Companies Act, 2013
(*This Red Herring Prospectus will be updated upon filing with the RoC*)
100% Book Built Offer

CARRARO INDIA LIMITED

Our Company was incorporated as "Carraro India Private Limited" on April 11, 1997, as a private limited company under the Companies Act, 1956, at New Delhi, India, pursuant to a certificate of incorporation issued by the Registrar of Companies, NCT of Delhi and Haryana ("**RoC Delhi**"). Pursuant to an allotment of Equity Shares by our Company and in accordance with the provisions of Section 43A(1) of the Companies Act, 1956, our Board passed a resolution on September 30, 1997, wherein our Board noted that our Company had become a deemed public company, and the name of our Company was changed to "Carraro India Limited" with effect from September 3, 1997, pursuant to a certificate of incorporation endorsed by the RoC Delhi to that effect. Further, pursuant to a resolution passed by our Board dated September 28, 2007 and a special resolution passed by our Shareholders dated September 29, 2007 which was confirmed by an order of the Company Law Board, Northern Region Bench, New Delhi dated July 25, 2008, the registered office of our Company was shifted from the state of Delhi to the state of Maharashtra with effect from July 25, 2008 and a certificate of registration of the order of the Company Law Board for change of state of our registered office was issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**") on August 14, 2008. Subsequently, pursuant to a resolution passed by our Board dated August 28, 2008 and a special resolution passed by our Shareholders dated September 22, 2008, our Company was re-converted into a private limited company and the name of our Company was changed to "Carraro India Private Limited", and a fresh certificate of incorporation dated March 16, 2009 was issued by the RoC. Subsequently, on the conversion of our Company to a public limited company, pursuant to a resolution passed by our Board on July 3, 2024 and a special resolution passed by our Shareholders on July 4, 2024, the name of our Company was changed to "Carraro India Limited" and a fresh certificate of incorporation dated August 12, 2024 was issued by the RoC. For further details of the changes in the name and the registered office of our Company, see "***History and Certain Corporate Matters – Changes in the registered office***" on page 246.

Corporate Identity Number: U52609PN1997PLC132629; **Registered Office:** B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India;
Contact Person: Nakul Shivaji Patil, Company Secretary and Compliance Officer; **Tel**: +91 2138 662666; **E-mail**: company_secretary@carraroindia.com; **Website**: www.carraroindia.com

OUR PROMOTERS: TOMASO CARRARO, ENRICO CARRARO, CARRARO S.p.A. AND CARRARO INTERNATIONAL S.E.

INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES BEARING FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF CARRARO INDIA LIMITED (THE "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE BEARING FACE VALUE OF ₹ 10 EACH (THE "OFFER PRICE") AGGREGATING UP TO ₹12,500.00 MILLION (THE "OFFER") COMPRISING AN OFFER FOR SALE OF [●] EQUITY SHARES BEARING FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹12,500.00 MILLION BY CARRARO INTERNATIONAL S.E. (THE "PROMOTER SELLING SHAREHOLDER", AND SUCH OFFER FOR SALE, THE "OFFER FOR SALE", AND SUCH EQUITY SHARES BEARING FACE VALUE OF ₹ 10 EACH, THE "OFFERED SHARES"). THE OFFER WOULD CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF LOKSATTA (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, INDIA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS AND SHALL BE MADE AVAILABLE TO STOCK EXCHANGES FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and by indicating the change on the respective websites of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "**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 price at which allocation is made to Anchor Investors ("**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 remaining QIB Portion ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net 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 Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("**NIIs**") ("**Non-Institutional Portion**") of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with a Bid size of more than ₹1.00 million and under-subscription in either of these two subcategories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**RIIs**") ("**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter)) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "***Offer Procedure***" beginning on page 426.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price, each as determined and justified by our Company in consultation with the Book Running Lead Managers, in accordance with SEBI ICDR Regulations, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "***Basis for Offer Price***" beginning on page 108 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 RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 25.

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The Promoter Selling Shareholder accepts responsibility for and confirms only the statements expressly made or confirmed by the Promoter Selling Shareholder in this Red Herring Prospectus to the extent of information solely pertaining to itself and its Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares to be offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters, each dated October 24, 2024. For the purpose of this Offer, NSE is the Designated Stock Exchange. A signed copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/ Offer Closing Date, see "***Material Contracts and Documents for Inspection***" beginning on page 488.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
Axis Capital Limited 1st Floor, Axis House, P.B. Marg Worli, Mumbai 400 025 Maharashtra, India **Tel**: + 91 22 4325 2183 **E-mail:** carraro.ipo@axiscap.in **Website:** www.axiscapital.co.in **Investor grievance e-mail:** investor.grievance@axiscap.in **Contact person:** Pavan Naik **SEBI registration no.:** INM000012029	**BNP Paribas** 1 North Avenue, Maker Maxity Bandra-Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 3370 4000 **E-mail:** DL.CarraroIndia.IPO@bnpparibas.com **Website:** www.bnpparibas.co.in **Investor grievance e-mail:** indiainvestors.care@asia.bnpparibas.com **Contact person:** Nishanth Kukkadapu **SEBI registration no.:** INM000011534	**Nuvama Wealth Management Limited** 801-804 Wing A Building No 3 Inspire BKC G Block Bandra Kurla Complex Bandra East, Mumbai 400 051 Maharashtra, India **Tel:** + 91 22 4009 4400 **E-mail:** carraro.ipo@nuvama.com **Website:** www.nuvama.com **Investor grievance e-mail:** customerservice.mb@nuvama.com **Contact person:** Manish Tejwani **SEBI Registration No.:** INM000013004	**Link Intime India Private Limited** C-101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** +91 8108114949 **E-mail:** carraro.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor grievance e-mail:** carraro.ipo@linkintime.co.in **Contact person:** Shanti Gopalkrishnan **SEBI registration no.:** INR000004058

BID/OFFER PERIOD

Bid/Offer Opens on*	Friday, December 20, 2024	Bid/Offer Closes on*#	Tuesday, December 24, 2024

** Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations.*
UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies or unless otherwise specified, the following terms and abbreviations have the following meanings in this Red Herring Prospectus, and references to any statutes, legislations, rules, guidelines, regulations, circulars, notifications, clarifications, directions, or policies shall include any amendments, clarifications, modifications, replacements or re-enactments thereto, from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*Unless the context otherwise indicates, all references to "**the Company**", and "**our Company**", are references to Carraro India Limited, a public limited company incorporated in India under the Companies Act, 1956 with its Registered Office at B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India. Furthermore, unless the context otherwise indicates, all references to the terms "**we**", "**us**" and "**our**" are to our Company and our Subsidiary on a consolidated basis.*

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder, as applicable. Notwithstanding the foregoing, the terms used in "**Basis for Offer Price**", "**Statement of Possible Special Tax Benefits**", "**Our Business**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**", "**Government and Other Approvals**", "**Restrictions on Foreign Ownership of Indian Securities**" and "**Main Provisions of the Articles of Association**" beginning on pages* 108, 121, 195, 131, 239, 279, 387, 397, 446 *and* 448, *respectively, shall have the meanings ascribed to such terms in the relevant sections.*

Company Related Terms

Term	Description
Articles of Association/ Articles/ AoA	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, as described in "***Our Management – Committees of the Board - Audit Committee***" on page 260.
Auditors/ Statutory Auditors	The current independent statutory auditors of our Company, being Deloitte Haskins & Sells LLP
Axis	Axis Capital Limited
Board/ Board of Directors	The board of directors of our Company, as described in "***Our Management – Board of Directors***" on page 253.
BNP	BNP Paribas
Carraro Group	Collectively, Carraro S.p.A. and any company that is (i) directly or indirectly owned or controlled by Carraro S.p.A., or (ii) is under the same direct or indirect ownership or control of Carraro S.p.A., unless otherwise specified
Chairman	The chairman of the Board of our Company, being Ettore Francesco Sequi
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Nakul Shivaji Patil
Corporate Promoter(s)	The corporate promoters of our Company, being Carraro S.p.A. and Carraro International S.E.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in *"**Our Management – Committees of the Board – Corporate Social Responsibility Committee**"* on page 264
CTIPL	Carraro Technologies India Private Limited
Director(s)	The director(s) on our Board, as appointed from time to time and as described in *"**Our Management – Brief profiles of our Directors**"* beginning on page 255
Equity Shares	The equity shares of our Company bearing face value of ₹ 10 each
Whole-time Director and Chief Financial Officer	The whole-time director and chief financial officer of our Company, being Davide Grossi
Finaid S.p.A.	Finanziaria Attività Industriali Diversificate Società per Azioni
Group Companies	In terms of SEBI ICDR Regulations, the term "group companies" includes companies (other than our Corporate Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information and any other companies as considered material by our Board, in accordance with the Materiality Policy and as described in "***Our Group Companies***" beginning on page 400

Term	Description
Independent Director(s)	The non-executive independent director(s) on our Board. For details, see "***Our Management***" beginning on page 253
Individual Promoter(s)	The individual promoters of our Company, being Tomaso Carraro and Enrico Carraro
IPO Committee	The IPO committee of our Board to facilitate the process of the Offer
Key Managerial Personnel/ KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, and as described in "***Our Management – Key Managerial Personnel and Senior Management – Key Managerial Personnel***" on page 268
Markets and Markets	Markets and Markets Research Private Limited
Markets and Markets Report	Report titled "*Strategic Analysis of the Indian Agricultural Tractor and Construction Vehicle Component Market*" dated December 5, 2024 prepared by Markets and Markets commissioned and paid for by our Company in connection with the Offer. A copy of the Markets and Markets Report is available on the website of our Company at https://www.carraroindia.com/investors
Materiality Policy	The policy adopted by our Board on August 23, 2024 for identification of companies, considered material by our Company, for the purposes of disclosure as Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Memorandum of Association / MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in ***"Our Management – Committees of the Board – Nomination and Remuneration Committee"*** on page 262
Non-Executive Director(s)	The non-executive non-independent director(s) on our Board. For details, see "***Our Management***" beginning on page 253
Nuvama	Nuvama Wealth Management Limited
Promoter(s)	The Individual Promoters, being Tomaso Carraro and Enrico Carraro and the Corporate Promoters, being Carraro S.p.A. and Carraro International S.E.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Our Promoters and Promoter Group***" beginning on page 271
Promoter Selling Shareholder	Carraro International S.E.
Registered Office	The registered office of our Company, situated at B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India
Registrar of Companies/ RoC	Registrar of Companies, Maharashtra at Pune
Restated Consolidated Financial Information	Restated financial information of our Company, which comprises the restated consolidated statement of assets and liabilities as at September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, restated consolidated statement of profit and loss (including other comprehensive income), restated consolidated statement of changes in equity and restated consolidated statement of cash flows for the six months ended September 30, 2024 and September 30, 2023 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, and a summary of material accounting policies and the other explanatory information for the six months ended September 30, 2024 and September 30, 2023 and each of the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, read with the general directions dated October 28, 2021 received from SEBI
Risk Management Committee	The risk management committee of our Board, as described in "***Our Management – Committees of the Board – Risk Management Committee***" on page 265
RoC Delhi	Registrar of Companies, Delhi and Haryana at New Delhi
Senior Management	Senior management of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR Regulations, and as described in "***Our Management – Key Managerial Personnel and Senior Management – Senior Management***" on page 268
Shareholder(s)	The holders of the Equity Shares from time to time
Simest S.p.A.	Societa Italiana Per Le Impresse Miste All Estero
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Board, as described in "***Our Management – Committees of the Board – Stakeholders' Relationship Committee***" on page 264
Subsidiary	The subsidiary of our Company as on the date of this Red Herring Prospectus, namely Carraro Technologies India Private Limited, as described under "***History and Certain Corporate Matters – Our Subsidiary***" on page 251

Term	Description
	Carraro Technologies India Private Limited became a subsidiary of our Company, with effect from June 28, 2024. For further details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years – Acquisition of Carraro Technologies India Private Limited***" on page 248

Offer Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgment Slip	The slip or document issued by the respective Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotted/ Allotment/ Allot	Unless the context otherwise requires, transfer of Equity Shares pursuant to the Offer for Sale to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be determined by our Company, in consultation with the BRLMs on the Anchor Investor Bidding Date
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 this Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, being Thursday, December 19, 2024 on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLMs, 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 only, 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 Blocked Amount/ ASBA	An application (whether physical or electronic) by an ASBA Bidder to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account and will include application made by UPI Bidders using UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form which may be blocked by such SCSB or the account maintained by a UPI Bidder linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders, to the extent of the Bid Amount of the ASBA Bidders
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" beginning on page 426
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to the submission of an ASBA form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to

Term	Description
	the extent permissible under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable In the case of Retail Individual Investors Bidding at the Cut-off Price, the Bid Amount is the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Investor and mentioned in the Bid cum Application Form
Bid cum Application Form	The ASBA Form or Anchor Investor Application Form, as the context requires
Bid Lot	[●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Tuesday, December 24, 2024, which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all editions of Loksatta (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, India, where our Registered Office is located) and in case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the designated intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being Friday, December 20, 2024, which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all editions of Loksatta (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, India, where our Registered Office is located), and in case of any revision, the extended Bid/Offer Opening Date also be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations
Bid/ Offer Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of this Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, and includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer, in this case being Axis Capital Limited, BNP Paribas and Nuvama Wealth Management Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms (in case of RIIs only ASBA Forms under UPI) to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, and updated from time to time
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The agreement dated December 16, 2024 to be entered into amongst our Company, the Promoter Selling Shareholder, the Syndicate Member, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for, among other things, appointment of the Escrow Collection Bank, the Public Offer Account Bank(s) and Sponsor Bank(s), collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account, and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof

Term	Description
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participants/ CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars, issued by SEBI and the Stock Exchanges, as per the list available on the websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time
Collecting Registrar and Share Transfer Agents/ RTAs	Registrar 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 as per the list available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time and the UPI Circulars
Confirmation of Allocation Note/ CAN	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date
Cut-off Price	The Offer Price, finalised by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors Bidding under the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Cut-Off Time	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5.00 p.m. on after the Bid/Offer Closing Date
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated CDP Locations	Such centres of the Collecting Depository Participants where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidders only ASBA Forms under UPI). The details of such Designated CDP Locations, along with the names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of this Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidders, only ASBA Forms under UPI) to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus/ DRHP	The draft red herring prospectus dated August 23, 2024 filed with SEBI and Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS or NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	A bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being Kotak Mahindra Bank Limited

Term	Description
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
General Information Document/ GID	The general information document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 notified by SEBI and the UPI Circulars and any subsequent circulars or notifications issued by SEBI, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
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 Offer Price
Net Proceeds	Proceeds of the Offer less Offer expenses
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to Anchor Investors
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Investors, of which (a) one-third portion shall be reserved for applicants with a Bid size of more than ₹0.20 million and up to ₹1.00 million, and (b) two-thirds portion shall be reserved for applicants with a Bid size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/ NIIs	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Offer	The initial public offering of Equity Shares comprising the Offer for Sale
Offer Agreement	The agreement dated August 23, 2024, entered into among our Company, the Promoter Selling Shareholder and the BRLMs, and the amendment thereto dated December 5, 2024 based on which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of [●] Equity Shares aggregating up to ₹12,500.00 million by the Promoter Selling Shareholder in the Offer. For further details, see "***The Offer***" beginning on page 75
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company in consultation with the BRLMs, on the Pricing Day, in terms of this Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus
Offered Shares	The Equity Shares offered by the Promoter Selling Shareholder in the Offer by way of Offer for Sale
Price Band	Price band ranging from a Floor Price of ₹[●] per Equity Share to a Cap Price of ₹[●] per Equity Share, including revisions thereof, if any. The Price Band will be decided by our Company in consultation with the BRLMs, and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all editions of Loksatta (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, India, where our Registered Office is situated), at least two Working Days prior to the Bid/ Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	The bank account(s) to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations, with whom the Public Offer Account will be opened for collection of Bid Amounts from the Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being Axis Bank Limited
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares of face value of ₹ 10 each, available for allocation

Term	Description
	to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs up to a limit of 60% of the QIB Portion), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers/ QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	This red herring prospectus dated December 16, 2024 issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares shall be Allotted and has been filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The bank which is a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account will be opened, in this case being Kotak Mahindra Bank Limited
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular (CIR/CFD/14/2012) dated October 4, 2012 and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated August 23, 2024, entered into among our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	Link Intime India Private Limited
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares of face value of ₹ 10 each, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Retail Individual Investors/ RIIs	Individual Bidders, whose Bid Amount for Equity Shares in the Offer is not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
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 Bidding in the QIB Portion and Non-Institutional Investors Bidding in the Non-Institutional Portion are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during Bid/Offer period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Banks/ SCSBs	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as updated from time to time In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in public issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on SEBI website
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, in this case being Link Intime India Private Limited
Share Escrow Agreement	The agreement dated December 16, 2024 entered into among the Promoter Selling

Term	Description
	Shareholder, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shared and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms, a list of which will be included in the Bid cum Application Form
Sponsor Bank(s)	The Banker(s) to the Offer registered with SEBI, which have been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request by a UPI Bidder in accordance with the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars, in this case being Kotak Mahindra Bank Limited and Axis Bank Limited
Stock Exchanges	Together, BSE and NSE
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Member, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated December 16, 2024 entered into among the members of the Syndicate, our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Member	Intermediaries registered with SEBI and permitted to carry out activities as an underwriter, in this case being Nuvama Wealth Management Limited
Syndicate or members of the Syndicate	Together, the BRLMs and the Syndicate Member
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among our Company, the Promoter Selling Shareholder, the Registrar to the Offer and the Underwriters, on or after the Pricing Date but before filing of the Prospectus
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 0.50 million in the Non-Institutional Portion. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	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 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (the aforementioned circulars are applicable to the extent not rescinded by the SEBI ICDR Master Circular), SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI ICDR Master Circular along with the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022 and the notice issued by BSE having reference no. 20220803-40 dated August 3, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular 2024), SEBI RTA Master Circular 2024 (to the extent applicable) and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders, by way of a notification on the UPI linked mobile application and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make ASBA Bids in the Offer in accordance with the UPI Circulars

Term	Description
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai, Maharashtra, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India, as per the circulars issued by SEBI from time to time

Conventional and General Terms and Abbreviations

Term	Description
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AGM	Annual general meeting of shareholders under the Companies Act, 2013
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year/ CY	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013	The Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
Consumer Protection Act	The Consumer Protection Act, 2019
Copyright Act	The Copyright Act, 1957
COVID – 2019/ COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CPC	The Code of Civil Procedure, 1908
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (*formerly Department of Industrial Policy and Promotion*), GoI
EGM	Extra-ordinary general meeting
EPS	Earnings per share
ESG	Environmental, Social and Governance
EXIM	Export-import
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIR	First information report
FPIs	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
FTA	The Foreign Trade (Development and Regulation) Act, 1992
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations

Term	Description
GDP	Gross Domestic Product
GoI/ Central Government/ Indian Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu undivided family(ies)
ICAI	Institute of Chartered Accountants of India
ICAI Guidance Note on Company Prospectus	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
IEC	Importer-exporter code number
IFRS	The International Financial Reporting Standards issued by the International Accounting Standard Board
Income Tax Act	The Income-tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013
Ind AS 24	The Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2021
INR/ Indian Rupees/ Rupee/ ₹/ Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IST	Indian Standard Time
IT Act	The Information Technology Act, 2000
KPI	Key performance indicators
MCA	The Ministry of Corporate Affairs, Government of India
MSME	Micro, small or a medium enterprise
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net asset value, being the total equity attributable to equity holders of the parent divided by weighted average numbers of equity shares outstanding during the year for basic EPS
NBFC-SI	Systemically important non-banking financial company
Non-GAAP	Non-generally accepted accounting principle
NR/Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRE	Non-Resident External
NRI	Non-Resident Indian
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	Other comprehensive income
Occupational Conditions Code	The Occupational Safety, Health and Working Conditions Code, 2020
PAN	Permanent account number
PAT	Profit after tax
PCB	Pollution Control Board
P/E Ratio	Price/Earnings Ratio
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under section 3 of the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992

Term	Description
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI ICDR Master Circular	SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI RTA Master Circular 2024	SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, to the extent it pertains to UPI
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
Trademark Act	The Trade Marks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	The United States of America
VCF	Venture capital funds as defined in and registered with the SEBI under the *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Industry Related Terms

Term	Description
Capital Employed	The sum of (i) tangible net worth, (ii) total debt and (iii) deferred tax liabilities
Child parts	Sub-parts or smaller parts which are integrated into larger components
EBIT	Restated profit before tax for the year plus finance cost
EBIT Margin	EBIT as a percentage of total income
EBITDA	Profit before tax for the year plus finance cost and depreciation and amortization expense
EBITDA Margin	EBIDTA as a percentage of total income
HP	Horse power
IP	Intellectual property
Net Debt	(i) The sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities
Net Debt to EBITDA ratio	Net debt divided by EBITDA
Net Working Capital	Difference between current assets and current liabilities
Net worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
OEM	Original equipment manufacturer
Profit after tax margin/ PAT Margin	Restated profit after tax for the year divided by revenue from operations
R&D	Research and development
Return on Equity	Restated profit after tax for the year divided by average equity, which is the average of opening and closing total equity
Return on capital employed/ RoCE	EBIT divided by capital employed
RoNW	Return on Net Worth means profit after tax for the year divided by the Net Worth at the end of the respective year
Tier 1 suppliers	Suppliers which supply manufactured products directly to an OEM
WD	Wheel Drive

SUMMARY OF THE OFFER DOCUMENT

*The following is a general summary of certain disclosures included in this Red Herring Prospectus and the terms of the Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled "**Risk Factors**", "**The Offer**"; "**Capital Structure**", "**Objects of the Offer**", "**Our Business**", "**Industry Overview**", "**Our Promoters and Promoter Group**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**", "**Offer Procedure**" and "**Main Provisions of the Articles of Association**" beginning on pages* 25, 75, 93, 106, 195, 131, 271, 279, 387, 426 *and* 448, *respectively*.

Summary of our primary business

We are a technology driven integrated supplier that develops complex engineering products and solutions for OEM customers. As an independent tier 1 (*i.e.*, directly supplies products to OEM) solution provider of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India, we support the full value chain of services with in-house R&D and manufacturing capabilities. We provide a diverse range of products including axles and transmission systems of different HP ranges for off-highway vehicles in the agricultural tractor and construction vehicle sectors, as well as gears, shafts and ring gears for industrial and automotive vehicles.

Summary of the industry in which we operate

According to Markets and Markets, the global and Indian off-highway markets encompass construction vehicles and agricultural equipment (including tractors) segments. Global sales of construction vehicles and agricultural tractors are projected to increase from 3,560,000 units in CY2023 to 4,640,000 units by CY2029. According to Markets and Markets, the agricultural tractors volume in India grew at CAGR of 5.9% from 804,000 units in CY2019 to 1,011,700 units in CY2023. The sales volume of construction vehicles in India increased at CAGR of 4.2% from 92,500 units in CY2019 to 109,000 units in CY2023 and is expected to grow at CAGR of 5.0% from CY2024 to CY2029.

Promoters

Our Promoters are Tomaso Carraro, Enrico Carraro, Carraro S.p.A. and Carraro International S.E.

Carraro S.p.A. was incorporated on December 6, 1960 under the laws of Italy. Carraro S.p.A. is registered in the Companies Registry of Padua (Registro delle Imprese di Padova) under registration number and fiscal code 00202040283 and its LEI number is 815600F3EC59FFEC6594. The registered and administrative office of Carraro S.p.A. is currently Via Olmo, 37, 35011, Campodarsego (PD), Italy.

Carraro International S.E. was originally incorporated in Luxembourg on February 10, 1999, as a "Société Anonyme", for an unlimited period, under the laws of the Grand Duchy of Luxembourg and, on December 21, 2017, was transformed into a "Société Européenne", governed by European Regulation no. 2157/2001. Further, pursuant to shifting of registered office of Carraro International S.E. from Grand Duchy of Luxembourg to the Republic of Italy, it is currently operating under the laws of Italy. Carraro International S.E. is registered in the Companies Registry of Padua (Registro delle Imprese di Padova) under registration number and fiscal code 92198680289 and its LEI number is 529900Q1IS0EMFQKI046. The registered and administrative office of the Carraro International S.E. is currently Via Olmo, 37, 35011, Campodarsego (PD), Italy.

For further details, see "***Our Promoters and Promoter Group***" beginning on page 271.

Offer Size

Offer of [●] Equity Shares of face value ₹ 10 each of aggregating up to ₹12,500.00 million by the Promoter Selling Shareholder. For details, see "***Other Regulatory and Statutory Disclosures***" beginning on page 402.

The Offer would constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. For further details, see "***The Offer***" and "***Offer Structure***" beginning on pages 26 and 423, respectively.

Objects of the Offer

Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) carry out the Offer for Sale of [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹12,500.00 million by the Promoter Selling Shareholder; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. For further details, see "***Objects of the Offer***" beginning on page 106.

Aggregate Pre-Offer Shareholding of Promoters, members of the Promoter Group and the Promoter Selling Shareholder

Except as disclosed below, our Promoters and the members of our Promoter Group do not hold any Equity Shares in our Company:

Name of Shareholder	No. of Equity Shares of face value of ₹ 10 each held	% of Equity Share capital
Promoters		
Carraro International S.E.[*]	56,851,531[**]	99.99
Carraro S.p.A.	1	Negligible
Promoter Group		
Siap S.p.A.	6	Negligible
Total	**56,851,538**	**100.00**

[*] *Carraro International S.E. is also participating in the Offer as the Promoter Selling Shareholder.*
[**] *Including 1 Equity Share each jointly held with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively, with Carraro International S.E. being the first holder.*

For further details, see "***Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding - (c) Shareholding of our Promoters, the members of our Promoter Group and directors of our Corporate Promoters***" beginning on page 99.

Summary of selected financial information derived from the Restated Consolidated Financial Information

The summary of selected financial information as set out under the SEBI ICDR Regulations as of and for the six months ended September 30, 2024 and September 30, 2023 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, derived from the Restated Consolidated Financial Information is set forth below.

(₹ in million, other than share data)

Particulars	As at and for the six months ended September 30,		As at and for the financial year ended March 31,		
	2024	2023	2024	2023	2022
Equity share capital	568.52	568.52	568.52	568.52	568.52
Net worth	4,194.42	3,629.62	3,698.19	3,373.76	2,924.92
Revenue from operations	9.146.19	9,610.27	17,889.65	17,131.45	14,975.43
Restated profit/ (loss) for the year/period	497.34	249.37	625.63	484.59	224.26
Basic Earnings/(loss) per Equity Share	8.75	4.39	11.00	8.52	3.94
Diluted Earnings/(loss) per Equity Share	8.75	4.39	11.00	8.52	3.94
Net asset value per Equity Share	73.78	63.84	65.05	59.34	51.45
Total borrowings	1,957.77	1,967.93	2,125.46	1,883.30	1,781.38

Notes:

1. *Net worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but shall not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
2. *Basic EPS = Profit for the year /period/ Weighted average number of ordinary shares (numbers)*
3. *Diluted EPS = Profit for the year / period/ Weighted average number of ordinary shares (numbers)*
4. *Net asset value per Equity Share = Total equity attributable to the owners of the Company / Weighted average number of ordinary shares (numbers)*
5. *Total borrowings = Non-current borrowings (Secured from banks + Loan from related parties) + Current borrowings (Working capital loans repayable on demand from banks + Current maturities of long term borrowings)*

For details, see "***Restated Consolidated Financial Information***" and "***Other Financial Information***" beginning on pages 279 and 346, respectively.

Qualifications of the Statutory Auditors, which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications of our Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoters and our Subsidiary as on the date of this Red Herring Prospectus is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material pending civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	Nil	Nil	NA	NA	Nil	Nil
Against the Company	Nil	36	1	NA	Nil	3,068.16#
Subsidiary						
By the Subsidiary	Nil	Nil	NA	NA	Nil	Nil
Against the Subsidiary	Nil	1	Nil	NA	Nil	0.27
Directors						
By the Directors	Nil	Nil	NA	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	NA	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	NA	NA	Nil	Nil
Against the Promoters	Nil	12	Nil	Nil	Nil	137.41

** To the extent quantifiable, and inclusive of accrued interest, to the extent quantified in the demand notices.*

Inclusive of amounts involved under various tax proceedings pending against our Company. These tax proceedings pertain to, inter alia: (i) misclassification of category of import goods (aggregate amount involved being ₹ 22.24 million); (ii) erroneous assignment of value of average export obligations, post amalgamation of Turbo Gears with our Company (aggregate amount involved being ₹ 52.64 million); (iii) availing of excess input tax credit (aggregate amount involved being ₹ 622.10 million; (iv) discrepancies in recording of input of tax credit (aggregate amount involved being ₹ 196.60 million); (v) discrepancies in reversal of input tax credit (aggregate amount involved being ₹ 47.00 million); and (vi) variations of income due to addition/ disallowance of, inter alia, transfer pricing adjustments for the assessment years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2020-21 and 2021-22 (aggregate amount involved being ₹ 2,072.93 million). These tax proceedings are currently pending before various forums and authorities and include matters which are being contested by the tax authorities at higher forums. For further details, see "Outstanding Litigation and Other Material Developments – C. Tax proceedings involving our Company" on page 388.

As on the date of this Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company. For further details of the outstanding litigation proceedings, see "***Outstanding Litigation and Other Material Developments***" beginning on page 387.

Risk factors

The following is a summary of the top ten risk factors in relation to our Company:

1. We derived 69.55% and 87.88% of our revenue in the six months ended September 30, 2024 and 69.37% and 85.39% of our revenue in Fiscal 2024 from our top five and top 10 customers, respectively, and any inability to retain our key customers or attract new customers and expand our customer network, could negatively affect our business and results of operations.

2. We depend partially on other entities in the Carraro Group for our operations, such as the license of the Carraro brand, customer sourcing, procurement, R&D and general support of our operations. The Carraro Group was our largest customer in Fiscals 2024, 2023 and 2022. For the six months ended September 30, 2024 and Fiscal 2024, we derived 33.27% and 33.91% of our total revenue from the Carraro Group and have purchased 3.81% and 4.91% of our raw materials from the Carraro Group, respectively. Any disruption in this relationship could have a material adverse impact on our operations.

3. We have entered into and may continue to enter into related party transactions with the Carraro Group, Directors and Key Managerial Personnel. We incurred 33.89% and 34.67% of our total income and 6.70% and 8.63% of our total expenses in transactions with related parties in the six months ended September 30, 2024 and Fiscal 2024, respectively. Such transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these transactions or investments.

4. Our agricultural tractor business is seasonal in nature and a decrease in our sales during some quarters could have an adverse impact on our financial performance.

5. We and certain of our Group Companies have common pursuits as they are engaged in similar business or segments within the automotive components industry and may compete with us, and that there may be conflict of interest in allocating business opportunities between us and such Group Companies.

6. Our Promoters and certain of our Directors may be involved in ventures which are engaged in the same line of activity or business as that of our Company and this may result in conflicts of interest with us. Our Directors, Key Managerial Personnel and Senior Management may have interests in our Company in addition to their remuneration and reimbursement of expenses.

7. We are dependent on the performance of the tractor and construction vehicle markets, as our agricultural tractors sector and construction vehicles sector constituted 45.05% and 41.29% of our revenue from product sector only for Fiscal 2024, 49.37% and 38.43% of our revenue for Fiscal 2023 and 50.59% and 36.12% of our revenue for Fiscal 2022, respectively. Any adverse changes in the conditions affecting the tractor or construction vehicles markets can adversely impact our business, financial condition, results of operations, cash flows and prospects.

8. Our EBITDA margins and PAT margins were lower than the EBITDA margins and PAT margins of our industry peers in the six months ended September 30, 2024 and September 30, 2023 and Fiscals 2024, 2023 and 2022, as disclosed in this Red Herring Prospectus, and we cannot assure you that we will be able to continue to improve our EBITDA margins and PAT margins in comparison to our competitors or at all.

9. We currently manufacture our axles, transmissions and gears at our manufacturing plants in Pune, India. Any disruptions or stoppages at our manufacturing plants could adversely impact our operations, financial condition and results of operations.

10. As we derive 34.60%, 36.09%, 35.87%, 38.19% and 36.80% of our revenue from exports from the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, respectively, we heavily rely on our extensive global customer base of OEM customers and our inability to maintain the stability of our OEM customer base and attract additional customers may have a material adverse effect on our results of operations and financial condition.

Specific attention of Investors is invited to the section "***Risk Factors***" beginning on page 25. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of contingent liabilities

The following is a summary table of our contingent liabilities as at September 30, 2024 as per Ind AS 37 as derived from the Restated Consolidated Financial Information:

(₹ in million)

Particulars	As at September 30, 2024
Income tax matters[(1) (2) (3)]	1,926.07
Indirect tax matters	9.20
Total	**1,935.27**

(1) Income tax matters represent claims against the Company not acknowledged as debts.

(2) Future cash flows in respect of above matter are determinable only on receipt of judgements / decisions pending at various forums / authorities.

(3) The group have ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the group as deductions, transfer pricing and such similar matters. Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. The group have a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The

*group have a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal. The amounts involved are based on the demand notices received by the group. See "**Outstanding Litigation and Material Developments – Tax Proceedings involving our Company**" on page 388, for more details of certain material tax proceedings involving the group.*

For further details of the contingent liabilities, see "***Financial Information – Restated Consolidated Financial Information – Note 35 – Contingent liabilities and commitments***" on page 321.

Summary of related party transactions

The following is the summary of transactions with related parties for the six months ended September 30, 2024 and September 30, 2023 and Fiscals 2024, 2023 and 2022, as per the requirements under Ind AS 24 read with the SEBI ICDR Regulations and as derived from the Restated Consolidated Financial Information:

(₹ in million)

Particulars			Six months ended September 30,		Fiscals ended		
Nature of transaction	**Related parties with whom transactions have taken place**	**Nature of relationship**	**2024**	**2023**	**2024**	**2023**	**2022**
Purchase of raw material	Siap S.p.A.	Fellow subsidiaries	252.08	324.23	647.48	467.19	346.93
	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	53.94	70.20	136.58	140.70	120.75
	Carraro China Drive Systems	Fellow subsidiaries	16.05	31.80	43.91	49.06	100.23
	Carraro Drive Tech Do Brazil	Fellow subsidiaries	-	-	-	-	0.01
	Carraro Argentina S.A.	Fellow subsidiaries	-	-	-	0.03	-
	Carraro S.p.A.	Ultimate holding company	4.07	8.61	17.18	14.46	6.96
Purchase of intangible assets	Carraro S.p.A.	Ultimate holding company	-	-	271.08	-	-
Purchase of fixed assets	Carraro Drive Tech Do Brazil	Fellow subsidiaries	-	-	-	-	7.89
	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	-	-	-	1.87	-
Royalty charged	Carraro S.p.A.	Ultimate holding company	30.58	30.46	56.09	56.11	407.50
	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	13.94	191.99	199.91	365.11	-
Sale of goods	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	2,944.28	3,240.30	5,944.82	5,505.39	4,482.46
	Carraro China Drive Systems	Fellow subsidiaries	85.07	41.18	95.78	90.98	103.59
	Carraro Argentina S.A.	Fellow subsidiaries	9.88	0.99	4.92	17.35	26.08
	Siap S.p.A.	Fellow subsidiaries	0.68	2.75	6.05	5.16	4.47
	Carraro S.p.A.	Ultimate Holding Company	3.46	2.61	15.56	10.52	24.62
Sale of fixed assets	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	-	5.27	5.27	-	-
	Carraro China Drive Systems	Fellow subsidiaries	-	-	0.58	-	-

Particulars			Six months ended September 30,		Fiscals ended		
Nature of transaction	**Related parties with whom transactions have taken place**	**Nature of relationship**	**2024**	**2023**	**2024**	**2023**	**2022**
Other services rendered	Carraro S.p.A.	Ultimate holding company	5.48	5.77	9.51	13.57	10.01
Professional fees	Carraro S.p.A.	Ultimate holding company	14.98	15.18	91.49	23.98	10.79
	Carraro Finance S.A.	Fellow subsidiaries	6.78	7.51	16.15	8.67	9.19
Corporate service charges	Carraro S.p.A.	Ultimate holding company	61.17	58.82	122.39	111.07	165.89
	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	28.00	29.89	63.39	22.24	154.21
Reimbursement of expenses	Carraro S.p.A.	Ultimate holding company	-	1.44	1.44	-	9.69
	Carraro China Drive Systems	Fellow subsidiaries	-	-	-	0.03	-
Expenses reimbursement received	Carraro China Drive Systems	Fellow subsidiaries	1.25	-	-	0.22	1.71
	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	5.17	0.98	1.19	6.41	0.73
	Carraro International S.E.	Fellow subsidiaries	76.60	-	-	-	0.70
	Siap S.p.A.	Fellow subsidiaries	-	-	1.82	-	-
	Carraro S.p.A.	Ultimate holding company	-	-	-	-	2.81
Warranty claims paid	Carraro Drive Tech Italia S.p.A.	Fellow subsidiaries	2.15	9.92	35.89	38.86	35.68
	Carraro China Drive Systems	Fellow subsidiaries	-	-	-	-	0.67
Remuneration paid	Balaji Gopalan	Key managerial personnel	41.72	14.54	27.75	22.59	31.00
	Sudhendra Mannikar	Key managerial personnel	27.59	9.01	17.94	14.32	19.40
	Davide Grossi	Key managerial personnel	2.40	6.89	7.69	5.89	-
	Jui Bhargave	Key managerial personnel	0.39	0.31	0.63	-	-
	Rakhi Makhloga	Key managerial personnel	-	-	-	0.74	0.80
Dividend paid	Carraro International S.E.	Holding company	-	-	220.00	50.00	-
Interest on loan availed	Carraro Finance S.A.	Fellow subsidiaries	19.30	17.70	37.27	19.30	-
Sale of design services	Carraro Lux-Tech-R&D Center	Fellow subsidiaries	9.93	2.20	14.35	-	-
	Carraro S.p.A.	Ultimate Holding Company	68.01	100.30	170.75	180.28	159.81

Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our Corporate Promoters, our Directors, and any of their relatives (as defined under the Companies Act, 2013) have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

Weighted average cost of acquisition of all shares transacted in the last one year, eighteen months and three years preceding the date of this Red Herring Prospectus

The details of weighted average cost of acquisition of all shares transacted in the last one year, eighteen months, and three years preceding the date of this Red Herring Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (in ₹)[*]	Cap Price is 'X' times the Weighted Average Cost of Acquisition[**]	Range of acquisition price: Lowest Price – Highest Price (in ₹)[*]
Last one year	10	[●]	10
Last eighteen months	10	[●]	10
Last three years	10	[●]	10

[*] *As certified by J.C. Bhalla & Co., Chartered Accountants, by way of their certificate dated December 16, 2024.*
[**] *To be updated upon finalization of the Price Band.*

Details of price at which specified securities were acquired by our Promoters, members of Promoter Group and Shareholders, Promoter Selling Shareholder with right to nominate directors or other special rights in the last three years preceding the date of this Red Herring Prospectus

Except as stated below, none of the Promoters, members of our Promoter Group, Promoter Selling Shareholder or Shareholders with right to nominate directors or other special rights have acquired any specified securities in the last three years immediately preceding the date of this Red Herring Prospectus:

S. No.	Name of acquirer/ shareholder	Date of acquisition of specified security	Number of specified securities	Face value (in ₹)	Acquisition price per specified security (in ₹)
1.	Tomaso Carraro[#*]	July 3, 2024	1	10	10
2.	Enrico Carraro[#*]	July 3, 2024	1	10	10
3.	Carraro S.p.A.[^]	July 3, 2024	1	10	10

[*] *1 Equity Share each jointly held with Carraro International S.E., being the first holder.*
[#] *Also the Individual Promoters*
[^] *Also one of the Corporate Promoters*

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

The weighted average price at which the Equity Shares were acquired by our Promoters and our Promoter Selling Shareholder in the one year immediately preceding the date of this Red Herring Prospectus is as follows:

S. No.	Name	Number of specified securities	Weighted average price of acquisition/ transfer per Equity Share (in ₹)[*]
1.	Tomaso Carraro[**]	1	10
2.	Enrico Carraro[**]	1	10
3.	Carraro S.p.A.	1	10

[*] *As certified by J.C. Bhalla & Co., Chartered Accountants, by way of their certificate dated December 16, 2024.*
[#] *Carraro International S.E. is also participating in the Offer as the Promoter Selling Shareholder.*
[**] *1 Equity Share each jointly held with Carraro International S.E., being the first holder.*

Average cost of acquisition of Equity Shares of our Promoters and Promoter Selling Shareholder

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

S. No.	Name of Promoter	Number of Equity Shares (of face value of ₹ 10 each) held	Average cost of acquisition per Equity Share (in ₹)[*]
1.	Tomaso Carraro[**]	1	311.63
2.	Enrico Carraro[**]	1	34.75
3.	Carraro S.p.A.	1	39.09
4.	Carraro International S.E.[#]	56,851,531	15.18

[*] *As certified by J.C. Bhalla & Co., Chartered Accountants, by way of their certificate dated December 16, 2024.*
[#] *Carraro International S.E. is also participating in the Offer as the Promoter Selling Shareholder.*
[**] *1 Equity Share each jointly held with Carraro International S.E., being the first holder.*
*For further details on the acquisition of Equity Shares made by the Promoters through allotments/transfers, see "**Capital Structure - Build-up of Promoters' shareholding in our Company**" on page 95.*

Details of Pre-IPO Placement

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

Issue of equity shares for consideration other than cash in the last one year

Our Company has not issued any equity shares for consideration other than cash during a period of one year preceding the date of this Red Herring Prospectus.

Split/ consolidation of Equity Shares in the last one year

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

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

Our Company has not sought any exemption from complying with any provisions of securities laws from SEBI.

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

Certain Conventions

All references in this Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references herein to (i) "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions; and (ii) "Italy" are to Italy and its territories and possessions.

Unless indicated otherwise, all references to time in this Red Herring Prospectus are to Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Unless indicated otherwise, all references to page numbers in this Red Herring Prospectus are to page numbers of this Red Herring Prospectus.

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular fiscal or financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless indicated otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Consolidated Financial Information. The Restated Consolidated Financial Information included in this Red Herring Prospectus is as of and for the six months ended September 30, 2024 and September 30, 2023 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, and have been prepared based on our audited financial statements for the six months ended September 30, 2024 and September 30, 2023 and each of the years ended March 31, 2024, 2023 and 2022 prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI as amended from time to time read with the general directions dated October 28, 2021 received from SEBI. For further details, see "***Restated Consolidated Financial Information***" beginning on page 279.

Unless the context otherwise requires, any percentage, amounts, as set forth in "***Risk Factors***", "***Summary of the Offer Document***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" beginning on pages 25, 12, 195 and 350, respectively and elsewhere in this Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Information unless otherwise stated.

There are significant differences between the Ind AS, the International Financial Reporting Standards issued by the International Accounting Standard Board (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. For details see, "***Risk Factors – We track certain operational metrics and non-GAAP measures for our operations. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation***" on page 64.

Unless the context otherwise indicates, any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 25, 195 and 350, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Information.

Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. 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. However, where any figures that may have been sourced from third-party industry sources, including the Markets and Markets Report, are rounded off to other than two decimal points in their respective sources, such figures appear in this Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-generally accepted accounting principle ("**Non-GAAP**") measures, such as EBIT, EBITDA, EBIT Margin, EBITDA Margin, Capital Employed, Return on Capital Employed, Profit After Tax Margin, Return on Equity, Net Worth, RoNW, Net Asset Value per Equity Share, Net Debt to EBITDA Ratio, Net Working Capital, Net Working Capital Turnover Ratio and Operational Working Capital ("**Non-GAAP Measures**") presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, the Non-GAAP Measures as used by the Company and their definition as set out herein, are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating performance. For details see, "***Risk Factors – We track certain operational metrics and non-GAAP measures for our operations. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.***" on page 64.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the Markets and Markets Report and publicly available information as well as other industry publications and sources. The Markets and Markets Report has been exclusively commissioned and paid for by our Company, pursuant to an engagement letter dated May 15, 2024, for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Offer.

The Markets and Markets Report is also available at our Company's website at https://www.carraroindia.com/investors/investor-information/other-documents.

Markets and Markets is an independent agency and is not a related party of our Company, its Subsidiary, Promoters, Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Managers.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – We have used information from the Markets and Markets Report which we commissioned for industry related data in this Red Herring Prospectus and any reliance on such information is subject to inherent risks****"* on page 57. Accordingly, investment decisions should not be based solely on such information.

Currency and Units of Presentation

All references to "**Rupees**" or "**₹**" or "**Rs.**" or "**INR**" are to Indian Rupees, the official currency of the Republic of India. All references to "**US$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollar, the official currency of the United States of America. All references to "**Euro**", "**EURO**" and "**€**" are to Euros, the official currency of the European Union. All references to "**JPY**" and "**¥**" are to Yen, the official currency of Japan. All references to "**CNY**" are to Chinese Yuan, the official currency of the People's Republic of China.

In this Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions or in whole numbers where the numbers have been too small to represent in millions, except where specifically indicated. One million represents 10 lakhs or 1,000,000 and 10 million represents one crore or 10,000,000. However, where any figures that may have been sourced from third party industry sources including the Markets and Markets Report are expressed in denominations other than millions in their respective sources, such figures appear in this Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

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

The following table sets forth as of the dates indicated, information with respect to the exchange rate between the Indian Rupee, the U.S. Dollar, the Euro, the Yen and the Chinese Yuan:

(in ₹)

Currency	Exchange rate as on September 30, 2024	Exchange rate as on September 30, 2023	Exchange rate as on March 31, 2024	Exchange rate as on March 31, 2023	Exchange rate as on March 31, 2022
1 US$	83.79	83.06	83.37	82.22	75.81
1 EURO	95.53	87.97	90.22	89.61	84.66
100 JPY	59.11	55.81	55.09	61.80	62.23
1 CNY	11.94	11.45	11.54	11.95	11.96

Source: www.fbil.org.in
Note: Exchange rate is rounded off to two decimal points.

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "**U.S. QIBs**"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "**QIBs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and (b) outside of the United States to investors in offshore transactions (as defined in Regulation S) in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. See "***Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions***" on page 405.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements regarding our expected financial condition and results of operations, objectives, business, plans and prospects are forward looking statements, which include statements with respect to our business strategy, our expected revenue and profitability, our goals and other matters discussed in this Red Herring Prospectus, regarding matters that are not historical facts. These forward-looking statements can generally be identified by words or phrases such as *"**aim**", "**anticipate**", "**believe**", "**expect**", "**estimate**", "**intend**", "**likely to**", "**objective**", "**plan**", "**propose**", "**project**", "**will continue**", "**seek to**", "**strive to**", "**will pursue**", "**will achieve**"* or other words or phrases of similar import. Similarly, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

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

Significant factors that could cause our actual results to differ materially include, but are not limited to our ability to:

- Our inability to retain our key customers or attract new customers and expand our customer network;
- Our dependence partially on other entities in the Carraro Group for our operations, such as the license of the Carraro brand, customer sourcing, procurement, R&D and general support of our operations;
- Our related party transactions with the Carraro Group, Directors and Key Managerial Personnel;
- Seasonality of our agricultural tractor business;
- Common pursuits with certain of our group companies; and
- Involvement of our Promoters and certain of our Directors in ventures which are engaged in the same line of activity or business as that of our Company. .

For a further discussion of factors that could cause our actual results to differ from expectations, see "***Risk Factors***", "***Our Business***", "***Industry Overview***", and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 25, 195, 131 and 350, respectively. 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. Forward-looking statements reflect our current views as of the date of this Red Herring Prospectus 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 that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statements based on them could prove to be inaccurate.

We cannot assure Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

Neither our Company, our Promoters, Directors, nor the Syndicate, or 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 the SEBI ICDR Regulations and as prescribed under applicable law, our Company will ensure that Bidders in India are informed of material developments, pertaining to our Company and the Equity Shares forming part of the Offer from the date of this Red Herring Prospectus until the time of the grant of listing and trading approvals by the Stock Exchanges. Further, in accordance with the requirements of SEBI and as prescribed under the applicable law, our Promoter Selling Shareholder, in respect of statements made by it in this Red Herring Prospectus and its Offered Shares, shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by it in this Red Herring Prospectus until the time of the grant of listing and trading approvals by the Stock Exchanges, with respect to their Offered Shares pursuant to the Offer.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below before making an investment in our Equity Shares.

*We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. In order to obtain an understanding of our Company and our business, prospective investors should read this section in conjunction with, see "**Our Business**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 195, 131, 239, 279 and 350, respectively, as well as other financial information included elsewhere in this Red Herring Prospectus. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Red Herring Prospectus.

*Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated, or if the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Information for the six months ended September 30, 2024 and September 30, 2023 and Fiscals 2024, 2023 and 2022 included in this Red Herring Prospectus. For further information, see "**Restated Consolidated Financial Information**" on page 279. In June 2024, we completed our acquisition of Carraro Technologies India Private Limited ("**CTIPL**"). As our Company and CTIPL were under common control before and after our acquisition of CTIPL, pursuant to the requirements of Appendix C of the Ind AS 103, the Restated Consolidated Financial Information as of and for the six months ended September 30, 2023 and as of and for Fiscals ended March 31, 2024, 2023 and 2022 in this section has been restated to include the financial information for CTIPL in the relevant period and Fiscals. We have also included various operational and financial performance metrics in this Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance metrics, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.*

*Unless otherwise indicated, industry and market data used in this section has been derived or extracted from the report titled 'Strategic Analysis of the Indian Agricultural Tractor and Construction Vehicle Component Market' dated December 5, 2024 prepared and issued by Markets and Markets Research Private Limited, which has been commissioned and paid for by us and prepared, only for the purposes of understanding the industry exclusively in connection with the Offer (the "**Markets and Markets Report**"). The Markets and Markets Report will be made available on the website of our Company at https://www.carraroindia.com/investors/investor-information/other-documents from the date of this Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Markets and Markets Report and included herein with respect to any particular year, refers to such information for the relevant year. For further details, see "**Risk Factors – Internal Risks – We have used information from the Markets and Markets Report which we commissioned for industry related data in this Red Herring Prospectus and any reliance on such information is subject to inherent risks**." and "**Industry Overview**" on pages 56 and 350, respectively.*

*All references to "**Carraro Group**" refer to Carraro S.p.A. and any company that is (i) directly or indirectly owned or controlled by Carraro S.p.A., or (ii) is under the same direct or indirect ownership or control of Carraro S.p.A., unless otherwise specified.*

INTERNAL RISKS

1. We derived 69.55% and 87.88% of our revenue in the six months ended September 30, 2024 and 69.37% and 85.39% of our revenue in Fiscal 2024 from our top five and top 10 customers, respectively, and any inability to retain our key customers or attract new customers and expand our customer network, could negatively affect our business and results of operations.

We are dependent on certain key customers for a significant portion of our revenue. The following table sets forth details of revenue generated and contribution to total revenue from our top five customers and top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for the periods and years indicated:

₹ in millions, except percentages

Particulars	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
Revenue from top five customers on consolidated customer groups basis	6,361.51	69.55%	6,684.71	69.56%	12,409.77	69.37%	12,406.91	72.42%	10,959.99	73.19%
Revenue from top 10 customers on consolidated customer groups basis	8,037.27	87.88%	8,223.41	85.57%	15,276.60	85.39%	14,887.95	86.90%	13,209.33	88.21%

The following sets forth a breakdown of revenue from our top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for the six months ended September 30, 2024:

Sr. no.	Revenue from top 10 customers	For Six Months ended September 30, 2024	
		Amount (in ₹ million)	**% of total revenue** (in %)
1	The Carraro Group	3,043.37	33.27%
2	Mahindra & Mahindra	1,186.52	12.97%
3	CNH	1,162.89	12.71%
4	Customer E [(1)]	515.14	5.63%
5	International Tractors Ltd. / Sonalika	453.58	4.96%
6	Bull Machines Private Limited	420.06	4.59%
7	Customer F [(1)]	370.79	4.05%
8	Customer C [(1)]	340.68	3.72%
9	Customer A [(1)]	318.66	3.48%
10	Customer D [(1)]	225.57	2.47%
	Total	**8,037.27**	**87.88%**

Note:
(1) The name of the customer is disclosed as a masked name due to confidentiality reasons.

The following sets forth a breakdown of revenue from our top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for Fiscal 2024:

Sr. no.	Revenue from top 10 customers	For Fiscal ended March 31, 2024	
		Amount (in ₹ million)	**% of total revenue** (in %)
1	The Carraro Group	6,067.13	33.91%
2	CNH	2,903.23	16.23%
3	Mahindra & Mahindra	1,676.00	9.37%
4	John Deere India Private Limited	907.81	5.07%
5	Bull Machines Private Limited	855.60	4.78%
6	International Tractors Ltd. / Sonalika	741.03	4.14%
7	Escorts Kubota Limited	590.38	3.30%
8	Customer A (1)	573.06	3.20%
9	Action Construction Equipment	532.47	2.98%
10	Customer F (1)	429.90	2.40%
	Total	**15,276.60**	**85.39%**

Note:
(1) The name of the customer is disclosed as a masked name due to confidentiality reasons.

For breakdown of revenue from the top five and top 10 customers in the six months ended September 30, 2023 and Fiscals 2023 and 2022, see "***Our Business – Description of Our Business and Operations – Sales and Distribution – Customer Relationships and Network***" on page 232 for further details.

As such, the loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have a material adverse effect on our business, results of operations, financial condition and cash flows. While such instances have not occurred in the six months ended September 30, 2024 and the last three Fiscals, we cannot assure you that we will be able to maintain historic levels of business and/or negotiate and enter into contracts on terms that are commercially viable with our significant or key customers or that we will be able to significantly reduce customer concentration in the future.

Furthermore, the Carraro Group was our largest customer in terms of revenue contribution on consolidated group basis in the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, representing 33.27%, 34.21%, 33.91%, 32.86% and 30.99% of our total revenue for the same periods, respectively. Any adverse change in our business relationship with this related party, including contract renegotiation, termination, or changes in purchasing behavior, could lead to a material decline in our revenue and profitability. Furthermore, there can be no assurance that we will be able to renew the contracts with such related party on commercially favorable terms or at all, or our interests would always align, and no conflicts of interest would arise. Therefore, reliance on our related party for a material portion of our revenue could negatively impact our financial performance and operational stability, see "***– Internal Risks – We depend partially on other entities in the Carraro Group for our operations, such as the license of the Carraro brand, customer sourcing, procurement, R&D and general support of our operations. The Carraro Group was our largest customer in the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022. For the six months ended September 30, 2024 and Fiscal 2024, we derived 33.27% and 33.91% of our total revenue from the Carraro Group and have purchased 3.81% and 4.91% of our raw materials from the Carraro Group, respectively. Any disruption in this relationship could have a material adverse impact on our operations***" on page 27 for further details.

2. We depend partially on other entities in the Carraro Group for our operations, such as the license of the Carraro brand, customer sourcing, procurement, R&D and general support of our operations. The Carraro Group was our largest customer in the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022. For the six months ended September 30, 2024 and Fiscal 2024, we derived 33.27% and 33.91% of our total revenue from the Carraro Group and have purchased 3.81% and 4.91% of our raw materials from the Carraro Group, respectively. Any disruption in this relationship could have a material adverse impact on our operations.

As of the date of this Red Herring Prospectus, the entities forming part of the Carraro Group, namely Carraro International S.E., Siap S.p.A. and Carraro S.p.A., collectively own 100% of the Equity Share capital of our Company. Carraro Drive Tech Italia S.p.A., was our largest customer in the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022. Further, we have considerable collaboration with other entities in the Carraro Group (which includes our Group Companies) in our business operations, such as:

(i) using the Carraro corporate name, logo and trademarks under a royalty bearing license from Carraro S.p.A. for a royalty of 0.6% per quarter of net sales (as defined under the Trademark Agreement) of products bearing the licensed identification marks, pursuant to the Trademark Agreement entered into for an initial period of three years with effect from April 1, 2013, subject to automatic renewal for the

next three years unless terminated by either party thereto, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")***" on page 249 for further details;

(ii) using the sub license from Carraro Drive Tech Italia S.p.A. for an annual royalty equal to a percentage of the sale price of any licensed products sold by us to a third party, subject to revision annually on an arm's length basis, pursuant to the Sub License Agreement entered into for an initial period with effect from April 1, 2022 to December 31, 2023, subject to automatic renewal for one year unless terminated by either party thereto, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" on page 250 for further details;

(iii) sourcing the Carraro Group's customers through transactions with related parties, including, in particular, manufacturing and selling axles, transmission systems and related components to Carraro Drive Tech Italia S.p.A., which is part of the Carraro Group and the Carraro Group's driveline business leader;

(iv) selling and purchasing various components, intangible assets and fixed assets to and from entities within the Carraro Group;

(v) using Carraro S.p.A.'s R&D services to support our development needs and collaborating with the R&D centers owned by the Carraro Group on product design and development;

(vi) engaging Carraro S.p.A. for its engineering support services on the maintenance of products and child parts, subsequent to Carraro S.p.A.'s transfer of the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company to support our development needs;

(vii) availing certain unsecured external commercial borrowings from Carraro Finance S.A., which had an outstanding amount of ₹ 467.65 million, ₹ 451.05 million, ₹ 448.00 million and nil as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively; and

(viii) relying on the Carraro Group's expertise with respect to management of sales and market, cost planning, industrial development, supply chain, sourcing and asset management, finance and administration, controlling, legal, human resources, technical assistance, quality assurance and other incidental activities.

The following table sets forth details of amounts paid to and from other entities in the Carraro Group for the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Revenue from operations from Carraro Drive Tech Italia S.p.A. (*₹ million*)	2,944.28	3,240.30	5,944.82	5,505.39	4,482.46
Revenue from Carraro Drive Tech Italia S.p.A. as a % of our total revenue from operations	32.19%	33.72%	33.23%	32.14%	29.93%
Revenue from operations from the Carraro Group (*₹ million*)	3,043.37	3,287.83	6,067.13	5,629.40	4,641.22
Revenue from the Carraro Group as a % of our total revenue from operations	33.27%	34.21%	33.91%	32.86%	30.99%
Cost of raw materials purchased from Carraro Group (*₹ million*)	326.14	434.84	845.15	671.44	574.88
Cost of raw materials purchased from Carraro Group as a % of our total expenses	3.81%	4.64%	4.91%	4.03%	3.86%
Royalty paid to the Carraro Group (*₹ million*)	44.52	222.45	256.00	421.22	407.50
Royalty paid to the Carraro Group as a % of our total expenses	0.52%	2.37%	1.49%	2.53%	2.74%
Corporate service charges paid to the Carraro Group (*₹ million*)	89.17	88.71	185.78	133.31	320.10

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Corporate service charges paid to the Carraro Group as a % of our total expenses	1.04%	0.95%	1.08%	0.80%	2.15%
Professional fees paid to the Carraro Group (*₹ million*)	21.76	22.69	107.64	32.65	19.98
Professional fees paid to the Carraro Group as a % of our total expenses	0.25%	0.24%	0.63%	0.20%	0.13%
Other income from other services we rendered to the Carraro Group *(₹ million)*	5.48	5.77	9.51	13.57	10.01
Other income from other services we rendered to the Carraro Group as a % of our total other income	6.75%	5.68%	5.41%	6.73%	4.45%

For further details, see "***Restated Consolidated Financial Information – Note 38.2: Transactions during the year with related parties***" on page 326.

Further to the above, in June 2024, we completed our acquisition of CTIPL from one of our Corporate Promoters, Carraro International S.E., pursuant to which we have also acquired the R&D center in Pune, India and the R&D team of CTIPL.

. If any of the Carraro Group's affiliates terminate their agreements or collaboration with us, or if a material adverse change occurs in the Carraro Group's business or our relationship with the Carraro Group, or if the fees paid to Carraro Group companies in consideration of their support and services significantly increase, our business and results of operations may be adversely affected. For additional risks related to our related party transactions, see "***– We have entered into and may continue to enter into related party transactions with the Carraro Group, Directors and Key Managerial Personnel. We incurred 33.89% and 34.67% of our total income and 6.70% and 8.63% of our total expenses in transactions with related parties in the six months ended September 30, 2024 and Fiscal 2024, respectively. Such transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these transactions or investments***" on page 29.

3. We have entered into and may continue to enter into related party transactions with the Carraro Group, Directors and Key Managerial Personnel. We incurred 33.89% and 34.67% of our total income and 6.70% and 8.63% of our total expenses in transactions with related parties in the six months ended September 30, 2024 and Fiscal 2024, respectively. Such transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these transactions or investments.

We have entered into and will continue to enter into transactions with several related parties of our Company in compliance with the Companies Act, 2013. Such related parties include certain of our Corporate Promoters, Carraro S.p.A., Carraro International S.E., Carraro Drive Tech Italia and other fellow subsidiaries in the Carraro Group, our Directors and Key Managerial Personnel. These related party transactions have been carried out in the ordinary course of business and on an arm's length basis, in compliance with the requirements stipulated in Companies Act, 2013, relevant Accounting Standards and other statutory compliances. Our related party transactions include, among others, sale of goods and fixed assets, purchase of raw materials, purchase of intangible, semi-finished and fixed assets, royalty payments for the use of the Carraro corporate name, logo and trademarks, royalty payments for the use of IP rights of products which belong to Carraro S.p.A., fees for services rendered or availed, fees for R&D services, professional fees, corporate service charges, warranty claims paid and managerial remuneration. For further details, see "***Summary of the Offer Document – Summary of related party transactions***" on page 16.

The following table sets out details of our income and expenses with related parties in the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million unless otherwise indicated)				
Total income	9,227.39	9,711.83	18,065.47	17,332.98	15,200.53
– Total income from related party	3,126.79	3,397.07	6,262.71	5,823.25	4,811.04

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million unless otherwise indicated)				
– Income from related parties as a % of total income	33.89%	34.98%	34.67%	33.60%	31.65%
Total expenses	8,558.22	9,372.19	17,221.75	16,677.10	14,893.19
– Expenses incurred in transactions with related parties	572.99	817.14	1,485.85	1,321.46	1,373.66
– % of expenses incurred in transactions with related parties as a % of total expenses	6.70%	8.72%	8.63%	7.92%	9.22%

It is likely that we will continue to enter into such related party transactions in the future. Some of these transactions may require significant capital contribution and there can be no assurance that we will be able to make a return on these transactions and investments. All related party transactions that we may enter into will be subject to the approval of our audit committee, and to the extent required, the approval of our public Shareholders, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations. There can be no assurance that such approvals will be issued to us in a timely manner, or at all. Further, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected or result in the benefit envisaged therein, or that we could not have undertaken such transactions on more favorable terms with any unrelated parties. Furthermore, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that we will be able to address such conflicts of interest in the future or that we could not have obtained more favorable terms had such transactions been entered into with unrelated parties.

4. Our agricultural tractor business is seasonal in nature and a decrease in our sales during some quarters could have an adverse impact on our financial performance.

The sales of our agricultural tractor products are influenced by the cyclicality and seasonality of demand in the countries in which we operate. According to the Markets and Markets Report, in the Indian agricultural market, tractor demand typically peaks between June and November, which is driven by the arrival of the monsoon, the Kharif crop season, preparations for the upcoming rabi planting season, increased harvesting activities, and improved rural cash flow during this period (see page 140 in "***Industry Overview***"). The demand for our exported products also depends on the cyclicality and seasonality of agricultural tractors in each country. In the six months ended September 30, 2024 and the past three Fiscals, we experienced higher sales volume of agricultural tractors between March and May and between September to November. We also expect our period-to-period results of operations to vary based on our operating costs, which we anticipate will increase significantly in future periods as we, among other things, design, develop, and manufacture newer products, expand and further equip our manufacturing plant to manufacture such products, open new manufacturing plants, increase our sales and marketing activities, and increase our general and administrative functions to support our growing operations. Any increases in our operating costs may also lead to a commensurate increase in the price of our products which may lead to a resultant decrease in demand for our products. As a result of these factors, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance. Moreover, our results of operations may not meet the expectations of equity research analysts or investors. If this occurs, the trading price of our shares could fall substantially either suddenly or over time.

5. We and certain of our Group Companies have common pursuits as they are engaged in similar business or segments within the automotive components industry and may compete with us, and that there may be conflict of interest in allocating business opportunities between us and such Group Companies.

Certain of our Group Companies, Siap S.p.A., Carraro Drive Tech Italia S.p.A., Carraro China Drive Systems Co. Ltd. and Carraro Argentina S.A. are engaged in businesses which are similar to our business. While exercising their rights as our shareholders, Carraro International S.E., Carraro S.p.A. and Siap S.p.A. may take into account not just our interests but also their interests and the interests of their affiliates, including other companies forming a part of the Carraro Group. Our interests and the interests of the Carraro Group and its affiliates and subsidiaries may not always align and therefore, there may be conflict of interest in allocating business opportunities between us and such Group Companies in a number of areas relating to our business and relationships, including the incurrence of indebtedness, financial commitments, sales and marketing functions, research and development activities, indemnity arrangements, service arrangements and potential acquisitions of businesses or properties.

We cannot assure you that there will not be any conflict of interest between our Company and such Group Companies in the future. We have not entered into any non-compete agreements with such Group Companies and there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without having an adverse effect on our business and financial performance. Furthermore, the Carraro Group is engaged in business ventures within the automotive components industry that may compete with us, either directly or indirectly. In the future, the Carraro Group may also launch new brands or new products that directly or indirectly compete with us. Also, there can be no assurance that the fees paid to Carraro Group companies in consideration of their support and services, including but not limited to the royalty payment for the use of the Carraro corporate name, logo and trademarks, will be on terms acceptable to us or within our preferred budget. Such conflicts of interest may not be resolved in our favor, which may adversely affect the interests of prospective investors. For further details, please see "***Our Group Companies***" beginning on page 400.

6. Our Promoters and certain of our Directors may be involved in ventures which are engaged in the same line of activity or business as that of our Company and this may result in conflicts of interest with us. Our Directors, Key Managerial Personnel and Senior Management may have interests in our Company in addition to their remuneration and reimbursement of expenses.

Our Promoters and certain of our Directors may be involved in other ventures which are engaged in the same line of activity or business as that of our Company, and may be interested to the extent of any transaction entered into by our Company with any other company, firm or entity in which they are interested, including as a director, promoter or partner. We cannot assure you that our Promoters and our relevant Directors will not provide competing services or otherwise compete in business lines in which we are already present or will enter into in the future. This may give rise to conflicts of interest, which may adversely affect our business, financial condition and results of operations. For further details, see "– ***We depend partially on other entities in the Carraro Group for our operations, such as the license of the Carraro brand, customer sourcing, procurement, R&D and general support of our operations. The Carraro Group was our largest customer in the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022. For the six months ended September 30, 2024 and Fiscal 2024, we derived 33.27% and 33.91% of our total revenue from the Carraro Group and have purchased 3.81% and 4.91% of our raw materials from the Carraro Group, respectively. Any disruption in this relationship could have a material adverse impact on our operations***", "***Our Management – Interests of Directors****" and "****Our Promoters and Promoter Group – Interests of our Promoters***" on pages 27, 258 and 274, respectively.

7. We are dependent on the performance of the tractor and construction vehicle markets, as our agricultural tractors sector and construction vehicles sector constituted 45.05% and 41.29% of our revenue from product sector only for Fiscal 2024, 49.37% and 38.43% of our revenue for Fiscal 2023 and 50.59% and 36.12% of our revenue for Fiscal 2022, respectively. Any adverse changes in the conditions affecting the tractor or construction vehicles markets can adversely impact our business, financial condition, results of operations, cash flows and prospects.

We derive a significant portion of our revenue from operations from the design and manufacture of axles and transmission systems for agricultural tractors and construction vehicles such as backhoe loaders, soil compactors, cranes, self-loading concrete mixers and small motor graders. The following tables provide a breakdown of our revenue by type of products for the periods or years indicated:

Particulars	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue	% of Revenue from sales of products	Revenue	% of Revenue from sales of products	Revenue	% of Revenue from sales of products	Revenue	% of Revenue from sales of products	Revenue	% of Revenue from sales of products
	(in ₹ million, unless otherwise specified)									
Revenue by product sector	**9,027.87**	**100.00%**	**9.458.87**	**100.00 %**	**17,611.93**	**100.00 %**	**16,857.21**	**100.00 %**	**14,743.27**	**100.00 %**
– Agricultural Tractors	4,250.34	47.08%	4.263.90	45.08%	7,933.86	45.05%	8,323.09	49.37 %	7,459.03	50.59%
– Construction Vehicles	3,576.03	39.61%	3.965.72	41.93%	7,271.77	41.29%	6,477.44	38.43 %	5,325.70	36.12%
– Others	1,201.50	13.31%	1.229.25	13.00%	2,406.30	13.66%	2,056.68	12.20 %	1,958.54	13.28%

Our agricultural tractors business is heavily dependent on the performance of the tractor market globally and in India, and we are exposed to fluctuations in the performance of the tractor market. While we have not experienced any significant decline in sales or revenue in the six months ended September 30, 2024 and the past three Fiscals, if demand for tractors in India or abroad decreases in the future, our business, results of operations, financial condition, cash flows and prospects may be materially and adversely affected.

The tractor market may be affected by, among others, monsoon, government minimum support prices and government incentives. These and other factors may negatively contribute to changes in the prices of and demand for tractors and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our construction vehicles business is also heavily dependent on the performance of the construction vehicles market globally and in India, and we are exposed to fluctuations in the performance of the construction vehicles market. While we have not experienced any significant decline in sales or revenue in the six months ended September 30, 2024 and the past three Fiscals, if demand for construction vehicles in India or abroad decreases in the future, our business, results of operations, financial condition, cash flows and prospects may be materially and adversely affected.

The construction vehicle industry may be affected by, among others, level of economic activity and government spending, economic growth, availability of supporting government initiatives, the level of urbanization and industrialization, and large-scale infrastructure projects. These and other factors may negatively contribute to changes in the prices of and demand for construction vehicles, which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

8. Our EBITDA margins and PAT margins were lower than the EBITDA margins and PAT margins of our industry peers in the six months ended September 30, 2024 and September 30, 2023 and Fiscals 2024, 2023 and 2022, as disclosed in this Red Herring Prospectus, and we cannot assure you that we will be able to continue to improve our EBITDA margins and PAT margins in comparison to our competitors or at all.

Our EBITDA margin and profit after tax margin ("**PAT margin**") were lower than the EBITDA margins and PAT margins of our industry peers in the six months ended September 30, 2024 and September 30, 2023 and Fiscals 2024, 2023 and 2022. For further details, see "***Industry Overview – Financial Benchmarking – EBITDA Margin***" and "***Industry Overview – Financial Benchmarking – PAT Margin***" on pages 186 and 188, respectively.

Our lower EBITDA margin and PAT margin as compared to those of our industry peers were mainly due to our high other expenses, which primarily comprise royalty, consumption of stores and spares, subcontracting expenses, power and fuel, packing, freight and forwarding charges, warranty expenses (net), corporate service charges and miscellaneous expenses. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Components of Income and Expenses – Other Expenses***" on page 362. Our EBITDA margin increased from 5.45% in Fiscal 2022 to 8.30% in Fiscal 2024 and to 10.96% in the six months ended September 30, 2024 and our PAT margin increased from 1.50% in Fiscal 2022 to 3.50% in Fiscal 2024 and to 5.44% in the six months ended September 30, 2024, on account of various measures including increased procurement of raw materials from domestic suppliers since Fiscal 2022 and a substantial reduction in royalties paid to the Carraro Group from ₹ 407.50 million in Fiscal 2022 to ₹256.00 million in Fiscal 2024 and from ₹222.45 million in the six months ended September 30, 2023 to ₹44.52 million in the six months ended September 30, 2024, as well as a decrease in the corporate service charges from ₹ 320.09 million in Fiscal 2022 to ₹ 185.78 million in Fiscal 2024, which remained stable at ₹103.89 million in the six months ended September 30, 2023 and ₹104.15 million in the six months ended September 30, 2024.

We cannot assure you that we will continue to be able to initiate measures to improve our EBITDA margins and PAT margins in comparison to our competitors or at all.

9. We currently manufacture our axles, transmissions and gears at our manufacturing plants in Pune, India. Any disruptions or stoppages at our manufacturing plants could adversely impact our operations, financial condition and results of operations.

We manufacture all of our axles and transmissions at our driveline and gears manufacturing plants. We own and operate two manufacturing plants in Pune, India, and events impacting this geographical area may disrupt our

production and operations. Our manufacturing plants are also subject to operating risks such as the 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, 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 plants. Although we have experienced delays and increase transit time in container deliveries amidst the Red Sea crisis, we have not encountered any instances of disruption in power supply or processes, labor disputes, industrial accidents and other material operational risks in the past. However, we cannot assure you that our manufacturing plants will not be subject to operating risks in the future. Further, we may encounter manufacturing difficulties such as increased manufacturing costs and delays in production resulting from events beyond our control. Some of these events include:

- forced or voluntary closure of manufacturing plants, including as a result of regulatory inspections and problems with supply chain continuity, including as a result of natural or man-made disasters at our facilities or our suppliers' facilities;
- manufacturing shutdowns, equipment breakdown or failure, performance below expected levels of efficiency, or obsolescence of our equipment and production facilities due to human error, industrial accidents and the need to comply with the directives of relevant government authorities;
- labor disputes, strikes or lock-outs that may result in temporary shutdowns or manufacturing disruptions;
- local community, political or other opposition;
- shortage of qualified personnel;
- interruptions in supply of water and electricity or other resources;
- changes in applicable laws and regulations impacting our manufacturing facilities where we operate;
- failure or bottlenecks in production processes, especially due to inadequate supply of utilities such as power and water or failure to implement debottlenecking measures to reduce idle time or improve operating efficiency by reducing plant outages, wastage, yield losses or otherwise; and
- other malicious acts, technical issues, terrorism, catastrophic events such as natural disasters, natural calamities and other force majeure events.

While we have not faced any instances of material disruptions at our manufacturing plants in the six months ended September 30, 2024 and the last three Fiscals except for the government-mandated national lockdown during the COVID-19 outbreak, we cannot assure that we shall not be subject to any such difficulties in the future which could have an adverse impact on our business results of operations and financial condition.

10. As we derive 34.60%, 36.09%, 35.87%, 38.19% and 36.80% of our revenue from exports from the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, respectively, we heavily rely on our extensive global customer base of OEM customers and our inability to maintain the stability of our OEM customer base and attract additional customers may have a material adverse effect on our results of operations and financial condition.

We rely on our extensive global customer base of original equipment manufacturers ("**OEM**") to whom we sell our products in India and across the world. The following table sets forth the geographical breakdown of our revenue (including revenue from ultimate customers which we sourced through Carraro Drive Tech Italia S.p.A.) for the six months ended September 30, 2024 and 2023 and the past three Fiscals:

	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue
					(in ₹ million, except otherwise stated)					
India	5,955.68	65.40%	6,110.48	63.91%	11,412.99	64.13%	10,531.12	61.81%	9,419.47	63.20%
Exports [(1)]	3,150.68	34.60%	3,450.89	36.09%	6,384.05	35.87%	6,506.37	38.19%	5,483.61	36.80%

	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue	Revenue contribution	% of total revenue
	(in ₹ million, except otherwise stated)									
– European Union	3,027.09	33.24%	3,350.11	35.04%	6,164.34	34.64%	5,885.77	34.55%	4,907.91	32.93%
– Asia (excluding India)	90.85	1.00%	42.86	0.45%	142.53	0.80%	104.46	0.61%	119.98	0.81%
– Americas	24.48	0.27%	33.27	0.35%	77.00	0.43%	516.14	3.03%	455.72	3.06%
– Rest of the world	8.26	0.09%	24.65	0.26%	0.18	0.00%	0.00	0.00%	0.00	0.00%

Note:

(1) We export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers outside of Asia through Carraro Drive Tech Italia S.p.A.

The success of our business depends on maintaining good relationships with our OEM customers (including the international OEM customers sourced through Carraro Drive Tech Italia S.p.A.) and ensuring that they find our products to be commercially remunerative and have continuing demand from customers. In addition, our business growth depends on the ability of our Company and the Carraro Group to attract additional customers. As at the date of this Red Herring Prospectus, we do not have any arrangements with our customers which requires them to exclusively purchase our products for manufacturing of their products. We usually enter into long-term contracts with our customers of at least five years, with additional schedules executed based on each new order received. However, there can be no assurance that we will be able to renew the contracts with our customers on commercially favorable terms or at all, or that our current customers will continue to do business with us, or that we can continue to attract additional customers. We may also incentivize our customers to renew their contracts with us and to maintain stability of our customer base. However, if we fail to maintain the stability of our customer base and attract additional customers, our sales and market share may decline which would have a material adverse impact on our business, financial condition, results of operations and cash flows.

11. Our Company, our Subsidiary and our Promoters are involved in outstanding legal proceedings and any adverse outcome in any of these proceedings may adversely impact our business, reputation, financial condition and results of operations.

In the ordinary course of business, our Company, our Subsidiary and our Promoters are involved in certain legal proceedings pending at different levels of adjudication before various courts and tribunals. A summary of outstanding litigation proceedings involving our Company, our Subsidiary and our Promoters, as disclosed in "***Outstanding Litigation and Material Developments***" on page 387 is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoter	Material pending civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	Nil	Nil	NA	NA	Nil	Nil
Against the Company	Nil	36	1	NA	Nil	3,068.16#
Subsidiary						
By the Subsidiary	Nil	Nil	NA	NA	Nil	Nil
Against the Subsidiary	Nil	1	Nil	NA	Nil	0.27
Directors						
By the Directors	Nil	Nil	NA	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	NA	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	NA	NA	Nil	Nil
Against the Promoters	Nil	12	Nil	Nil	Nil	137.41

**To the extent quantifiable, and inclusive of accrued interest, to the extent quantified in the demand notices.*

Inclusive of amounts involved under various tax proceedings pending against our Company. These tax proceedings pertain to, inter alia: (i) misclassification of category of import goods (aggregate amount involved being ₹ 22.24 million); (ii) erroneous assignment of value of average export obligations, post amalgamation of Turbo Gears with our Company (aggregate amount involved being ₹ 52.64 million); (iii)

*availing of excess input tax credit (aggregate amount involved being ₹ 622.10 million; (iv) discrepancies in recording of input of tax credit (aggregate amount involved being ₹ 196.60 million); (v) discrepancies in reversal of input tax credit (aggregate amount involved being ₹ 47.00 million); and (vi) variations of income due to addition/ disallowance of, inter alia, transfer pricing adjustments for the assessment years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2020-21 and 2021-22 (aggregate amount involved being ₹ 2,072.93 million). These tax proceedings are currently pending before various forums and authorities, and include matters which are being contested by the tax authorities at higher forums. For further details, see "**Outstanding Litigation and Other Material Developments – C. Tax proceedings involving our Company**" on page 388.*

Further, as of the date of this Red Herring Prospectus, there are no pending litigation involving our Group Companies which has a material impact on our Company.

Involvement in such proceedings could divert our management's time and attention and consume financial resources. Furthermore, adverse orders could have an adverse impact on our business, results of operations and financial condition. We cannot assure you that these legal proceedings will be decided in our favor or in favor of our Directors, Promoters and Subsidiary and that no further liability will arise out of these proceedings or would not have a material adverse effect on the business, operations and financial condition of our Company. Even if we are successful in defending such cases, we may be subject to legal and other costs incurred pursuant to defending such litigation, and such costs may be substantial and not recoverable. Our Company is in the process of litigating these matters, including tax proceedings involving our Company, and based on the assessment in accordance with applicable accounting standards, our Company has not made provisions in relation to such proceedings or the other pending legal proceedings. In the event of any adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments, and which may increase expenses and current or contingent liabilities. For details of our contingent liabilities, see "***Summary of the Offer Document – Summary of contingent liabilities***", "***– We have certain contingent liabilities that have not been provided for in our Restated Consolidated Financial Information, which if materialize, may adversely affect our financial condition***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Commitments***" on pages 15, 41 and 377, respectively. Furthermore, there may be certain outstanding matters for which the aforementioned parties may not have been served with summons or relevant case documents, which may result in adverse findings against us. An adverse outcome in any of these proceedings, either individually or in aggregate, may affect our reputation, business operations, cash flows, financial condition, results of operations and prospects.

12. Our warranty reserves may be insufficient to cover future warranty claims, which could adversely affect our financial condition and results of operations.

We offer standard warranties to our customers, for a period until the earlier of (i) the 18th month from date of delivery or notification of availability for delivery, (ii) 1,500 operation hours of the end-product in which our product is incorporated or (iii) 12 months from the first registration date of the end-product in which our product is incorporated or first entry into service (if registration is not applicable). For further details, see "***Our Business – Description of Our Business and Operations – Warranty***" on page 219. The following table shows the movements in provision for warranty and aggregate amounts claimed/paid by the Company resulting from the warranty claims as a percentage of closing warranty provision for the period or years indicated:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
	(₹ million, unless specified otherwise)				
Balance at the beginning of the period/ year	**184.49**	**169.33**	**169.33**	**116.14**	**96.42**
Add: Provisions made during the period/ year	2.16	28.83	69.42	113.77	72.65
Less: Provisions utilized during the period/ year	8.76	19.74	54.26	60.58	52.93
Balance at the end of the period/ year	**177.89**	**178.42**	**184.49**	**169.33**	**116.14**

We are subject to warranty claims under warranty clauses in the agreements we entered into with our customers. Although we have provision for warranties, we may have warranty costs in excess of our provisions, which may lead to significant expenses. In Fiscal 2023, we had an instance of brake malfunction as a result of defective part components provided by our supplier, as a result we paid the warranty expenses to the relevant customer in the same Fiscal, which were partially settled by compensation received from the relevant supplier and we settled the remaining balance with our internal cash resources. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Results of Operations – Fiscal 2023 Compared to Fiscal 2022 – Expenses – Other expenses***" on page 371. While we have identified the cause of such

brake failure, improved the production process and switched to another seal manufacturer and as a result, the brake malfunction was solved and has not recurred ever since, there is no assurance that there will not be any further malfunctions or that our provision for warranties will be adequate in the future. In addition, if we are able to increase our sales and expand our product line, we could experience an increase in the number of warranty claims and be required to increase our warranty provisions. These factors in turn could adversely affect our financial condition, results of operations and prospects.

13. We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or exposure to potential product liability claims.

We face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage. We and our component suppliers may not be able to meet regulatory quality standards in India or abroad, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Further, our manufacturing facilities are subjected to rigorous quality control checks, accreditation requirements, and periodic inspections from various agencies that have issued us product and system certifications such as the IATF 16949:2016 quality management certification of our gears manufacturing plant. While we have not encountered any instances whereby any of our products did not meet regulatory standards in the six months ended September 30, 2024 and the past three Fiscals, if such instance occur in the future, we may be responsible for damages relating to any defective products, required to replace, recall or redesign such products, incur significant costs to defend any such claims or restricted to produce or market such products to our customers, among others.

The failure by us or any of our suppliers to achieve or maintain compliance with regulatory requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, with a component supplier, until a new supplier has been identified and evaluated. The quality of raw materials and the goods we trade in will have an impact on the quality of the finished products and in turn affect brand image, business and revenue. In the past, we had an instance of brake malfunction owing to defective part components provided by our supplier, and as a result we paid the warranty expenses to the relevant customer, which were partially settled by compensation received from the relevant supplier, with the remaining balance settled with our internal cash resources. For further details, see "– ***Any defects in our axles, transmissions, gears or after-sales services may adversely impact our reputation and ability to sell our products, result in claims for damages and even lead to product recalls or similar actions, which could have an adverse impact on our operations***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Results of Operations – Fiscal 2023 Compared to Fiscal 2022 – Expenses – Other expenses***" on pages 42 and 371, respectively. While there is no adverse impact on our sales after the foregoing instance, there is no assurance that such instance will not arise in the future or that our products will always meet the satisfaction of our customers' quality standards. Our or our component supplier's failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

14. The examination report on the Restated Consolidated Financial Information discloses an emphasis of matter for the financial years ended March 31, 2024, 2023 and 2022. Further, audit reports on our audited financial statements include certain adverse remarks and observations required to be disclosed under the Companies (Auditor's Report) Order, 2020 as of and for Fiscals 2024, 2023 and 2022, and we cannot assure that our financial information for future periods will not contain emphasis of matters, adverse remarks or observations.

The examination report on our Restated Consolidated Financial Information as at and for the six months ended September 30, 2024 and 2023 and Fiscals ended March 31, 2024, 2023 and 2022 discloses an emphasis of matter paragraph included in the audit report issued by our Company's Statutory Auditor for our audited special purpose consolidated financial statements as of and for the year ended March 31, 2024 and audited special purpose consolidated financial statements as of and for the year ended March 31, 2022 stating that such special purpose consolidated financial statements have been prepared for the purpose of preparation of the Restated Consolidated Financial Information in connection with this Offer and, as a result, may not be suitable for any other purpose.

The opinion of our Statutory Auditors has not modified in respect of this matter. For further details, see "***Restated Consolidated Financial Information***" beginning on page 279. Further, the audit reports for the financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, also include certain adverse remarks, and observations required to be disclosed under the Companies (Auditor's Report) Order, 2020, including:

(i) an adverse remark pursuant to Section 143(3) of the Companies Act, 2013 in relation to maintenance of proper books of account as required under law by the Company on a daily basis in electronic mode in a server physically located in India; and

(ii) an observation in relation to unpaid statutory dues on account of disputes under the Income Tax Act and the Customs Act, 1962.

In this regard, our Company, (i) has adopted an electronic mode for maintenance of books of accounts in a server outside India, which can be accessed on a daily basis and as and when required; and (ii) is in the process of contesting certain disputes before the appropriate tax forums in relation to payment of statutory dues. For further details, see "***Outstanding Litigation and Material Developments – Tax proceedings involving our Company***" on page 388.

Additionally, for the financial year ended March 31, 2022, an observation has been provided by the auditors in relation to disclosure of immovable properties in the financial statements under property, plant and equipment and capital work-in progress, for which the title deeds are registered in the name of Carraro PNH Components (India) Pvt Ltd and Turbo Gears India Pvt Ltd., erstwhile companies which were merged with our Company under Sections 391 and 394 of the Companies Act, 1956. Subsequently, we have not received a similar observation from the auditors for the financial years ended March 31, 2023 and March 31, 2024.

While these emphasis of matter, adverse remarks or observations do not require any adjustments to the Restated Consolidated Financial Information, there can be no assurance that any similar remarks, emphasis of matter or observations will not form part of our audit reports or financial statements for any future periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

15. We may be negatively impacted by any early obsolescence of our manufacturing equipment and the spare parts or software used in such equipment.

We depreciate the cost of our manufacturing equipment and the spare parts or software used in such equipment over their expected useful lives. Depreciation is calculated on pro rata basis on a straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. For further details of the estimated useful life of different types of assets, see "***Management's Discussion and Analysis of Financial Condition and Results of Operation – Critical Accounting Policies and Use of Judgements and Estimates – Property, Plant and Equipment – Depreciation/ Amortization***" on page 384. However, product cycles or manufacturing technology may change periodically, and we may decide to update our products or manufacturing processes more quickly than expected. Moreover, improvements in engineering and manufacturing expertise and efficiency may result in our ability to manufacture our products using less of our currently installed equipment. Alternatively, as we ramp and mature the production of our axles, transmissions and gears to higher levels, we may discontinue the use of already installed equipment and the spare parts or software used in such equipment in favor of different or additional equipment, spare part or software. The useful life of any equipment, spare parts or software that would be retired early as a result would be shortened, causing the depreciation on such equipment, spare parts or software to be accelerated, and our results of operations may be harmed.

16. Our agricultural tractor business may be susceptible to changes in climate and weather pattern, which could have an adverse impact on our financial performance.

The sales of our agricultural tractor products may be influenced by climate and weather pattern. According to Markets and Markets, the global agricultural sector is increasingly vulnerable to changes in climate and weather patterns, including increased frequency of extreme weather events, shifting precipitation patterns, and rising temperatures, which could lead to reduced crop yields and disrupted farming practices, and in turn adversely affect the global agricultural tractor sales (see page 137 in "***Industry Overview***"). Furthermore, climate change may necessitate shifts in farming practices and the adoption of new technologies to adapt to changing environmental conditions. These shifts could potentially reduce the demand for traditional agricultural tractor components, or create demand for components designed for new tractor models that would be compatible with different climate changes. While we have not encountered an impact of these factors on our financial performance, there is no assurance that any such impact will not occur in the future or that we will be able to adapt to these changes and innovate in response to evolving customer needs, which may adversely affect our business, financial condition and results of operations.

17. Our Company has a high working capital requirement and had total borrowings of ₹1,957.77 million, ₹2,125.46 million, ₹1,883.30 million and ₹1,781.38 million as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively and a net working capital turnover ratio of 4.20, 6.35, 12.87, 10.63 and 17.87 for the six months ended September 30, 2024 and 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. If we are unable to comply with repayment and other covenants in our financing agreements, our business, financial condition, cash flows and credit rating could be adversely affected.

Our business requires significant working capital for our business operation, furnishing of bank guarantees for participation in bids, financing inventory and any change in terms of credit or payment would affect our working capital. We have entered into various financing arrangements for purposes including meeting working capital requirements, general corporate purposes and other business requirements. The table below sets forth our total borrowings as at the dates indicated:

Particulars	**As at September 30,**	**As at March 31,**		
	2024	**2024**	**2023**	**2022**
		(in ₹ million)		
Total Borrowings [(1)]	1,957.77	2,125.46	1,883.30	1,781.38

Note:
[(1)] Total Borrowings represents the sum of non-current borrowings and current borrowings, and includes secured and unsecured borrowings.

The following table shows our net working capital turnover ratio as on the dates indicated:

Particulars	**For six months ended September 30,**		**For Fiscals ended March 31,**		
	2024	**2023**	**2024**	**2023**	**2022**
	(in ₹ million, unless otherwise specified)				
Revenue from operations **(A)**	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Current assets **(B)**	6,786.04	7,032.00	6,709.42	7,164.69	6,746.89
Current liabilities **(C)**	4,610.41	5,519.05	5,319.81	5,553.21	5,908.98
Net working capital **(D = B-C)**	2,175.63	1,512.95	1,389.61	1,611.48	837.91
Net working capital turnover ratio (E = A/D)	**4.20**	**6.35**	**12.87**	**10.63**	**17.87**

Our net working capital turnover ratio decreased to 10.63 in Fiscal 2023 from 17.87 in Fiscal 2022 due to a decrease in current liabilities and the corresponding increase in non-current liabilities in Fiscal 2023 when we refinanced our short-term credit lines, increased to 12.87 in Fiscal 2024 due to an increase in current liabilities when our short-term credit lines approached maturities in less than 12 months. Our net working capital turnover ratio decreased to 4.20 in the six months ended September 30, 2024 from 6.35 in the six months ended September 30, 2023 due to decreases in revenue from operations, current assets and current liabilities in the six months ended September 30, 2024. While we believe that our internal resources and financing arrangements availed from our lenders will be sufficient to address our working capital requirements, we cannot assure you that we will continue to generate sufficient internal accruals and/or be able to raise adequate working capital from lenders to address our future needs. Our inability to meet our present working capital requirements or our enhanced working capital requirements will have an adverse impact on our results of operation, business and financial condition.

Certain of our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from and provide notice to the lenders prior to undertaking certain matters including altering our capital structure, changing our shareholding, changing the management and control, dilution of promoters' shareholding, and amending our constitutional documents. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans. Further, we have availed certain external commercial borrowings from Carraro Finance S.A. which is unsecured. Any demand from the lenders for repayment of such unsecured loans may affect our cash flow and financial condition. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business and operations. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

As of October 31, 2024, the sanctioned amount and amount outstanding of our total secured borrowings (current and non-current borrowings) of ₹ 4,614.67 million and ₹ 1,635.68 million, among which ₹ 2,070.00 million and ₹ 200.48 million were the sanctioned amount and amount outstanding of our working capital facilities, respectively. These borrowings are secured, *inter alia*, through first pari passu charge by way of hypothecation on moveable fixed assets including machinery, equipment, entire stocks of raw materials, finished as well as unfinished goods and such other movables, present and future; first pari passu charge over stocks and debtors of the Company; and second ranking charge over existing primary and collateral securities including mortgage created in favor of the lender. For further details, see "***Financial Indebtedness***" on page 348. In the event we fail to service our debt obligations, the lenders have the right to enforce the security in respect of our secured borrowings and dispose of our assets to recover the amounts due from us. If we lose ownership or control of all or some of the assets as a result of the enforcement of security by a lender, our business, financial condition, results of operation, cash flows and ability to make distributions to our shareholders would be adversely affected.

We have received necessary consents from our lenders for the Offer and related actions. Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or otherwise cured could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such facilities or trigger cross-default or cross-acceleration provisions under certain of our other financing agreements, any of which could adversely affect our liquidity, financial condition and our ability to conduct and implement our business plans. Any default can negatively impact our credit rating, leading to difficulties in securing future loans at favorable interest rates. For more details of our indebtedness, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Indebtedness***" on page 377.

18. We may not be able to compete successfully in the highly competitive and fast evolving agricultural tractor and construction vehicle markets.

We face significant competition in our business from other manufacturers and suppliers of axles and transmission systems, which include suppliers of critical system solutions, OEMs manufacturing agricultural tractors and/or construction vehicles. According to the Markets and Markets report, factors that affect the Indian agricultural tractor market include, among others, adoption of electric tractors, credit availability to farmers for farm mechanization, dependence on imports for Indian tractor components, market saturation in the Northern and Western India regions (see page 154 in "***Industry Overview***"). Further, according to Markets and Markets report, the factors impacting the competition in the construction industry include increased demand for compact construction vehicles, increasing demand for rental vehicles, upcoming CEV V regulations, total cost of ownership, aftermarket services, better financing options, sales mix, product complexity and technological specification (see page 161 in "***Industry Overview***"). According to Markets and Markets, electric tractors are a promising innovation that can revolutionize future farming practices in India and are expected to be adopted in India over near to medium term, however, electric tractors are faced with challenges of higher upfront costs, not being suitable for applications requiring specific capabilities, lack of adequate charging infrastructure and consistent power supply in rural areas and large-sized batteries due to their high-power requirements and long working hours (see page 154 in "***Industry Overview***"). There is no assurance that our products could keep pace with the demand for electric tractors, or that our products could overcome the challenges posed to electric tractors.

Our existing and future competitors may have significantly greater financial resources that can be devoted to design, development, manufacturing, marketing, advertising, sales and support of their products. They may also have technical and manufacturing capabilities and/or marketing, distribution and service network and brand recognition that is comparable to, or more developed than, our own. Our competitors may innovate faster and more efficiently, and new technologies may increase competitive pressures by enabling competitors to offer more efficient or lower-cost products. If our competitors' products surpass ours in terms of quality or performance or are offered at more competitive prices, or if this becomes the prevailing perception among consumers, our profitability and results of operations may be materially and adversely affected and we may not be able to maintain our current market position or lose market share. According to Markets and Markets, component manufacturers with a higher proportion of machining in their revenue generally command better margins and OEMs producing agricultural tractors and construction vehicles typically enjoy higher margins due to higher purchasing power and operating leverage (see page 182 in "***Industry Overview***").

In India, we face competition from domestic and foreign agricultural tractor and construction vehicle manufacturers. According to the Markets and Markets Report, our competitors include ZF, Dana, and Comer amongst others (see page 180 in "***Industry Overview***"). There is no assurance that we will be able to maintain our market share with the increase in competition. If our market share declines, our business, prospects, financial condition and results of operations may be materially and adversely affected. As we export our products to various regions outside India, in particular through transactions with related parties, we are also subject to competitive pressures in these markets.

Further, production overcapacity within the industry may continue to increase, prompting manufacturers like us to reduce product prices and offer marketing incentives, such as discounts, on products to maintain and grow market share. Further, an increase in competition could lower unit sales which may result in further downward pricing pressure and adversely affect our business, financial condition and results of operations. Our ability to adequately respond to the rapid changes in the global agricultural tractor and construction vehicle market and to maintain our competitiveness will be fundamental to our success in existing and new markets.

In addition, if our competitors consolidate or enter into other strategic partnerships, strategic alliances or joint ventures, they may be able to achieve greater economies of scale. For example, according to Markets and Markets, in December 2023, ZF India announced it was planning to manufacture transmissions for off-highway vehicles at its new Coimbatore plant for domestic and exports market (see page 180 in "***Industry Overview***"). Any failure by us to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay our development of new and enhanced products, which could result in the loss of competitiveness of our products, decreased revenue and a loss of market share to competitors.

We also face the risk of customers engaging in backward integration and beginning to manufacture the products that we currently supply for them. If our customers decide to engage in backward integration or manufacture our products internally, it could significantly reduce the demand for our products, which would have a material adverse effect on our business and results of operations. Additionally, such backward integration could intensify the competition in the market and lead to pricing pressures, which would further impact our profitability. We may also incur increased costs as we strive to innovate and differentiate our product offerings to retain our customer base.

19. We have had negative cash flows in the past and may continue to have negative cash flows in the future.

The following table sets out our cash flows derived from the Restated Consolidated Financial Information for the periods/ years indicated:

(₹ in million)

	For six months ended September 30,		Fiscal		
	2024	**2023**	**2024**	**2023**	**2022**
			(in ₹ million)		
Net cash generated from operating activities	437.26	(109.23)	1,121.88	802.15	958.31
Net cash (used in) investing activities	(184.10)	(309.14)	(846.84)	(617.65)	(594.48)
Net cash from/ (used in) financing activities	(285.75)	(31.64)	(301.82)	(154.69)	85.26
Net increase / (decrease) in cash and cash equivalents	(32.59)	(450.02)	(26.78)	29.81	449.08

The negative cash flow from operating activities for the six months ended September 30, 2023 was mainly attributable to increased trade receivables and decreased trade payables.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected. We cannot assure you that our net cash flows will be positive in the future.

For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash flows***" on page 377.

20. We have certain contingent liabilities that have not been provided for in our Restated Consolidated Financial Information, which if materialize, may adversely affect our financial condition.

We have created provisions for certain contingent liabilities in our Restated Consolidated Financial Information. The following table sets forth details of our contingent liabilities and capital commitments as of the dates indicated:

Particulars	As at September 30,		As at March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
Contingent Liabilities*					
Income tax matters(1) (2) (3)	1,926.07	1,631.61	1,796.07	1,548.52	1,607.73
Indirect tax matters	9.20	-	9.20	-	-
Capital commitments					
Estimated amount of contracts in capital account remaining to be executed(4)	375.51	485.55	381.88	183.64	356.34

* *During the current year refinement is done in disclosure of the contingent liability and accordingly contingent liability as at current year end and previous year end has been restated.*

Notes:

(1) Income tax matters represent claims against the Company not acknowledged as debts.

(2) Future cash flows in respect of above matter are determinable only on receipt of judgements / decisions pending at various forums / authorities.

*(3) The Company has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, transfer pricing and such similar matters. Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal. The amounts involved are based on the demand notices received by the Company. See "**Outstanding Litigation and Material Developments – Tax Proceedings Involving our Company**" on page 388, for more details of certain material tax proceedings involving our Company.*

(4) Our capital commitments include capital amount on manufacturing equipment and facilities.

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future. Our future contingent liabilities may materialize and become actual liabilities. In the event that any of our contingent liabilities become non-contingent, or if at any time, we are compelled to pay all or a material proportion of these contingent liabilities, our business, financial condition, cash flows and results of operations may be adversely affected. For details regarding our contingent liabilities, see Note 35 to the Restated Consolidated Financial Information. See "***Financial Information – Restated Consolidated Financial Information – Note 35 – Contingent liabilities and commitments***" on page 321, and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Commitments***" on page 377.

21. Any defects in our axles, transmissions, gears or after-sales services may adversely impact our reputation and ability to sell our products, result in claims for damages and even lead to product recalls or similar actions, which could have an adverse impact on our operations.

Our products are required to meet precise and specific requirements including in terms of quality, measurements and tolerances. If we fail to meet these requirements or quality standards, we may be unable to provide sufficient supply to our customers and some of our existing and future orders may be cancelled, result in us incurring costs for repairing or replacing defective products as well as conducting product recalls campaigns and repurchases and paying warranty and liability claims, any of which could have a material adverse effect on the Carraro brand

image, our business, financial condition, results of operations and cash flows. In addition, while we have not been subject to any penalties for defects in our products in the six months ended September 30, 2024 and the past three Fiscals, we could be subject to civil or criminal penalties or may incur various costs, including significant costs for repairs, if defects are found in our products in the future. Perceived or actual defects in our products or after sales services in our customer's end products, whether raised internally or by regulators or consumer advocates, and whether or not based on scientific evidence or supported by data, could result in production delays, recalls, lost sales, governmental investigations, regulatory action, private claims, customers' claims, lawsuits and settlements and reputational damage, which can also result in substantial damage to brand and consumer trust in our products, relationship with customers and our market position. While we have not received any customer claims or regulatory actions in the six months ended September 30, 2024 and the last three Fiscals, we cannot assure that such claims or actions will not be initiated against us in the future. In defending such a claim, we could incur substantial costs and be subject to negative publicity which could adversely affect our business and results of operations.

Further, we rely on third-party suppliers for components and raw materials. If our suppliers provide defective goods, we may face significant product liability claims or warranty claims, which could result in increased costs and damage to our reputation. We may be held liable for defects in the products we sell, even if the defect originated with our suppliers. While the majority of our contracts with suppliers include indemnification provisions for liabilities arising from product defects and product liability insurance policies, such recourses are subject to limitations set for the contracts, and there is no assurance that we will be able to claim losses from suppliers due to product liability claims or recalls resulting for defective supplies. In Fiscal 2023, we had an instance of brake malfunction owing to defective part components provided by our supplier, and as a result we paid the warranty expenses to the relevant customer in the same Fiscal, which were partially settled by compensation received from the relevant supplier, with the remaining balance settled with our internal cash resources. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Results of Operations – Fiscal 2023 Compared to Fiscal 2022 – Expenses – Other expenses***" on page 371. We have identified the cause of such brake failure, improved the production process and switched to another seal manufacturer and as a result, the brake malfunction was solved and has not recurred ever since. While we have not experienced any warranty claims or product recalls in the six months ended September 30, 2024 and the past three Fiscals which had a material adverse impact on our financial performance, and the percentage of overall rejection for our products is low at 0.01% for each of the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, there is no assurance that there will not be any further malfunctions or that we will not be subject to warranty claims, product recalls or increased product rejections in the future and that our insurance coverage will be sufficient to cover our product liability if and when such recall or rejection arises.

22. Disruptions of transportation network and transportation infrastructure or deficiencies in service provided by our logistic service providers may have an adverse effect on our business and results of operations.

We depend on the transportation and logistics networks, and the connectivity and conditions of the road, rail, sea and general transportation infrastructure in India and outside in India. We also rely on third parties for transportation services for both domestic sales and exports. The following table sets forth distribution of our logistics providers as at period/ Fiscal ends indicated and the cost paid to the logistics providers in the periods/ Fiscals indicated:

Particulars	As at and for six months ended September 30,		As at and for Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Number of logistics providers	32	31	37	36	39
– Number of domestic logistics providers	15	15	15	17	17
– Number of overseas logistics providers	17	16	22	19	22
Cost paid to logistics providers (*in ₹ million*)	94.42	92.20	173.57	223.07	282.99

Our supplies of raw materials and parts, and delivery of our products and spare parts may be adversely affected if our suppliers cannot deliver raw materials and parts to us on time, or if we are unable to transport our products to our customers on time, due to inadequacies of the transportation infrastructure in India, disruptions in railway, road or sea transportation networks due to weather related events, labor strikes, wars or otherwise. Although these instances did not have a significant impact on our operations and we have not experienced any delay or disruption of our transportation network and delivery in the past, there is no assurance that such delays will not occur in the future or at all. Further, our transit insurance does not cover delays in raw materials and parts supply or transportation of products and any claims brought against us by customers, which could require us to expend

significant resources to defend such claims, which would have a material impact on our financial condition.

While the Government of India has announced and implemented several initiatives such as National Infrastructure Pipeline, Gati Shakti National Mater Plan and National Logistics Policy to improve the transportation infrastructure in the country, we cannot assure you that the road, rail and general transportation infrastructure will improve to a level or be maintained at such level that would result in improvement in our business or that the planned improvements to such infrastructure will be completed in a timely manner, or at all. Any disruption of or failure of the transportation network in and outside India, could have an adverse impact on demand for our axles, transmissions and gears, our supplies and production schedule as well as delivery of axles, transmissions and gears to our customers, and in turn have an adverse impact on our operations. Although we have not experienced any delay in third party delivery in the past, any failure by these service providers to transport our products to our customers on time and in marketable condition or any service deficiency caused by these service providers could have a material impact on our operations.

23. We depend on our supplier base of 220 suppliers in India and 58 suppliers internationally for raw materials, parts and other materials as of September 30, 2024. Any interruption in the availability of raw materials, parts and other materials, or any disruption, breakdown or shutdown of our suppliers or any instability of our supplier base could adversely impact our operations.

As of September 30, 2024, we have a supplier base of 220 suppliers spanning across eight states in India and 58 suppliers internationally. For a breakdown of our procurement of different raw materials, see "***Our Business – Description of Our Business and Operations – Procurement and Raw Materials***" on page 226 for further details. Out of our 220 suppliers in India as of September 30, 2024, 172 are located in Rajkot, Maharashtra and Karnataka forming part of the western coast of India ("**Western Coast**"). While we seek to maintain such suppliers in close proximity to our manufacturing plants in order to lower our production cost, optimize supply chain logistics and minimize transportation lead times and costs, the geographic concentration of such suppliers and our manufacturing units in the Western Coast increase our exposure to adverse developments and economic shifts within this area. Any significant social, political, civil or economic disruptions, or instances of internal or external aggression or changes in the policies in the Western Coast could have an adverse effect on our business, results of operations and financial condition.

Although there may be multiple suppliers that provide certain raw materials and parts that we need for our operations, any failure by our suppliers to provide raw materials and parts to us on time or at all, or as per our specifications and quality standards for reasons such as capacity limitations, breakdowns, mold or machine failures, industrial relations and safety issues, any disruption in our suppliers' manufacturing processes or any failure to find a suitable replacement in a timely manner when such need arises could have an adverse impact on our ability to meet our manufacturing and delivery schedules, which in turn could adversely affect our sales, margins and customer relations. While there has been no instance where any of our suppliers did not perform its obligations in a timely manner in the six months ended September 30, 2024 and the last three Fiscals which had an adverse impact on our operations and our financial position, there can be no assurance that such instance will not arise in the future.

Further, we strategically review our supply chain from time to time and we endeavor to further localize our supplier base. The following table sets forth the percentage of supplies sourced from our top-five suppliers, top 10 suppliers, domestic and overseas suppliers, for the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Cost of materials consumed (₹ *million*)	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
Top five suppliers as a % of total costs of materials consumed	20.53%	21.85%	21.76%	21.33%	20.56%
Top 10 suppliers as a % of total costs of materials consumed	30.68%	32.48%	32.38%	31.95%	31.39%
% of cost of materials consumed from domestic suppliers in India	74.42%	72.69%	73.18%	74.58%	73.67%
% of cost of materials consumed from overseas suppliers	25.58%	27.31%	26.82%	25.42%	26.33%

Although we do not have exclusive agreements with our suppliers, we enter into long-term contracts with some of our key suppliers for at least three years and engage some of our suppliers on purchase order basis. However, in the event that we are unable to renew the contracts with our key suppliers on commercially favorable terms, or

at all, we may have to seek alternative suppliers as replacements which may result in increased costs and cause delays in our manufacturing and sale schedules, which in turn could adversely affect our business, results of operations and reputation. While we have not faced any past instances of suppliers being unable to supply us the desired quantity of raw materials or any instance where we were unable to find a replacement for any particular supplier in a timely manner, in the six months ended September 30, 2024 and the past three Fiscals, we cannot assure that such instances will not arise in the future. Furthermore, if we seek to diversify suppliers in the future, we may not be able to do so on terms acceptable to us or within our preferred timeframe or budget. Our reliance on a selected group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our ability to procure an uninterrupted supply of raw materials, which in turn may affect our profit margins and financial performance.

In addition, a majority of our supplies are sourced from within India and imported from overseas. Negative incidents involving these regions may materially impede our supply chain and operations. See also "***– External Risks – Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business***" on page 65. We therefore depend on the economic, tariffs and political conditions of these countries. In addition, in case any of our imports are subject to concessional duty of customs, we will take the benefit of the same, as may be eligible. For example, we benefited from Indian export incentive initiatives which provided refunds on local duties, taxes and levies based on production volume of eligible products in previous Fiscals. However, any withdrawal of concessional duties or reduction in the trade concessions availed under any trade arrangements between India and other nations, or our inability to be eligible for such concessional duty benefits, could adversely affect us in terms of rise in the applicable customs duties, which could increase our costs for sourcing parts and materials, which were previously under a concessional duty regime.

Further, any import of goods from related parties are subject to specific provisions and assessments by the Indian Customs Special Valuation Branch ("**SVB**"), to determine if the transaction value declared is at arm's length. Such SVB assessments may take time to complete and in the interim, goods may be provisionally cleared with loading of customs duties and additional duties imposed at a later stage. The delay in completion of SVB proceedings may impact the supply of material to our operations and any additional duties charges may result in increased costs for these imports, which could adversely affect our business and results of operations.

24. Increases in the prices of, or our failure to obtain raw materials, parts and other materials required for our operations could adversely affect our business and results of operations.

We source a wide range of raw materials including, among others, casting materials, steel and components such as bearings and forgings and other proprietary components from a combination of domestic and foreign suppliers for our manufacturing operations. For further details in relation to procurement of our raw materials, see "***Our Business – Description of our Business and Operations – Procurement and Raw Materials***" on page 226. The table below shows the cost of materials consumed as a percentage of our total expenses, revenue from operations and total income, for the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Cost of materials consumed (*₹ million*)	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
Cost of materials consumed as a % of total expenses	77.65%	78.53%	77.65%	77.38%	76.60%
Cost of materials consumed as a % of revenue from operations	72.66%	76.58%	74.75%	75.33%	76.18%
Cost of materials consumed as a % of total income	72.02%	75.78%	74.02%	74.45%	75.05%

Our cost of materials consumed has been increasing year-on-year, largely in line with an increase in revenue from our operations. For more details, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Components of Income and Expenses – Expenses – Cost of materials consumed***" on page 361. The cost of the raw materials and parts is primarily affected by global commodity prices and our ability to effectively negotiate with our suppliers. For example, as per the Markets and Markets Report, pricing and availability of casting materials, including steel and other proprietary components, can be highly volatile due to numerous factors beyond the control of any individual company, including general economic conditions, global production capacity, import levels, fluctuations in raw material costs, sales levels, competition, labor costs, trade policies, and foreign currency exchange rates (see page 168 in "***Industry Overview***"). In addition, according to Markets and Markets, the price of steel has increased by around 20% in the past year, which has resulted in a significant increase in the cost of production for construction vehicle manufacturers (see page

162 in "***Industry Overview***"). In the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, steel constituted 37.41%, 36.83%, 37.78%, 38.72% and 39.23% of our cost of materials consumed and 29.05%, 28.92%, 29.33%, 29.96% and 30.05% of our total expenses, respectively. Increase in the price of steel has also contributed to the increase in the cost of materials consumed in the last three Fiscals, as illustrated on the table above. According to Markets and Markets, supply chain challenges emerging from natural disasters, the global Covid-19 pandemic, trade disputes, and transportation issues led to widespread disruptions such as factory closures, labor shortages, and transportation delays; and the ongoing conflict between Russia and Ukraine has disrupted global supply chains, leading to significant price increases for key commodities like oil, gas, steel, nickel, copper, and aluminum, and such prices remain volatile as geopolitical tensions continue to escalate (see page 168 in "***Industry Overview***"). The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could result in increases in commodity, freight, logistics and supply costs and could potentially have substantial impact on our business for an unknown period of time. External factors such as currency fluctuations, tariffs, shortages in raw materials and other economic or political conditions of the countries where our suppliers are located may also result in increases in costs of raw materials and parts, which could increase our production and delivery costs and reduce our margins, and in some cases, cause delays in our supplies. Continued fluctuations in the cost of materials, supply interruptions or material shortages have a direct impact on our ability to manufacture new products on time and within budget. See "***– External Risks – Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business***" on page 65.

We have in the past experienced cost fluctuations for these raw materials due to volatility in the commodity markets. Price increases and surcharges imposed by our suppliers may have an adverse effect on our business and results of operations. If we are unable to predict and manage these additional costs, find alternative sources of supply, or are unable to pass the price increase in our supplies to our customers, our business, financial condition and results of operations may be adversely affected. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Financial Condition and Results of Operation – Cost and availability of raw materials***" on page 358.

25. Our future success depends on our ability to identify market trends, innovate and meet evolving customer demands and preferences profitably. If we are unable to do so, our sales, business and results of operations would be adversely affected.

We have a unique market position as a one-stop shop tier 1 OEM supplier in India that develops tailor-made solutions to our India-based customers by covering the full value chain from designing to manufacturing of axels and transmissions. Our success depends on our ability to identify market trends and develop, introduce, manufacture and deliver tailor-made solutions in line with customer demands, including their focus on sustainability and environmental awareness, at a certain scale and profitably. For example, we have in the past launched new products with pilot customers to perceive market interest, such as our portal axle 20.08P and our T135 transmission system which were launched with our pilot customers. However, we may fail to identify market trends and customer demands in India and our export markets, and react to these changes (including by adapting our strategy and business plan as necessary), and our attempts to position the Carraro brand and/or optimize our product portfolio to take advantage of market trends and consumer demand may be ineffective. A misjudgment in our strategy or delayed recognition of market trends and customer needs or other changes in regulatory requirements could lead to a decline in demand, sales and profitability of our products and damage our reputation. Furthermore, our success also depends on our OEM customers' ability to identify and create demands for new products. For example, Mahindra launched the haulage tractor (haul master), a chassis-based tractor with our Company to address the emerging need for tractors that are suitable for haulage use with lower costs of ownership and performance stability, and such customer launched the RoadMaster G75 & G90 Smart to address the demand for customized models in the reference market of motor graders with less than 100 HP, for which we manufactured axles and transmission systems. Our customer identified the demand for such products and we worked with our customer since the concept stage of launching the product and supplied axles and transmission systems for the relevant product, see "***Our Business – Strengths – Customer-centric offering of customized solutions to a longstanding OEM customer base***" on page 202, there is no assurance that these efforts will yield commercially viable solutions or results, that we will be able to replicate our success with one customer for other customers.

Our ability to provide tailor-made solutions to our OEM customers is also affected by our ability to negotiate and maintain arrangements at reasonable terms with our suppliers, maintain and further develop our R&D and manufacturing capabilities, maintain sufficient and suitable work force, administrative infrastructure, quality control, safety, systems and processes, and obtain the required regulatory approvals and certifications. Failure to manage or respond effectively to the above risks would have a negative impact on our ability to respond to changes in customer preferences, demand, and could result in a decline in the sale for our products, thereby in our market share, and prevent us from acquiring new customers and retaining existing customers, which in turn may adversely affect our business, results of operations, financial condition and cash flows.

26. We may be unable to adequately protect our intellectual property rights and may be subject to intellectual property infringement claims, either of which may substantially harm its business.

We distinguish ourselves from other market players with our ability to provide tailor-made solutions to our customers covering full value chain from designing to manufacturing. R&D is an important part of our business model and we regard our trademarks, patents and other similar intellectual property rights as critical to our success and have obtained or applied for trademarks and patents for various products and technologies. We have invested significant resources to develop our own intellectual property. See "***Our Business – Description of Our Business and Operations – Intellectual Property***" on page 229. While the intellectual property rights acquired or developed by us have not been patented or registered due to the lack of prerequisites, we consider such intellectual property rights as our valuable assets and trade secrets, given they are fully developed, marketable products tailored to Indian market requirements. Further, we include non-compete and non-disclosure clauses as part of employment agreements to prevent misuse of our IP rights and proprietary designs. However, policing unauthorized use of intellectual property rights is difficult and sometimes practically infeasible, and there is no assurance that the steps we have currently taken will prevent misappropriation or infringement of our intellectual property rights. Any misappropriation of such intellectual properties rights could materially and adversely affect our results of operations and financial condition.

As part of the Carraro Group, we use the Carraro corporate name, logo and trademarks which are licensed to us and other members of the Carraro Group by Carraro S.p.A. pursuant to the Trademark Agreement. We also manufacture and sell products of which IP rights is sub-licensed to our Company by Carraro Drive Tech Italia S.p.A. Subsequent to Carraro S.p.A.'s transfer of the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company pursuant to the IP Assignment Agreement, for which Carraro S.p.A. provides engineering support services on the maintenance of products and child parts pursuant to the Engineering Service Agreement to support our development needs, such products tailored for the Indian market were carved out from the scope of products under the Trademark Agreement and will continue to bear the Carraro corporate name, logo and trademarks. Any unauthorized or inappropriate use of the Carraro brand, trademarks and other related intellectual property rights by others in their corporate names, product brands or otherwise could harm the Carraro brand image, competitive advantages and business, and dilute or harm our reputation and brand recognition. While we have not faced any instances of such misappropriation of our intellectual property by third parties, there is no assurance that we may not be subject to such instances in the future. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")***", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" on pages 249, 249, 250, and 250, respectively.

In addition, we share information of our proprietary design with third-party suppliers to enable the manufacturing of our proprietary components. Despite our efforts to protect our proprietary rights such as entering into non-disclosure agreements or including confidentiality clauses in our supply agreements with the third-party suppliers to whom we share proprietary information, we may be subject to occasional leaks. While we have not been subject to any breaches in non-disclosure agreements or confidentiality clauses in the six months ended September 30, 2024 and the last three Fiscals, we cannot assure that we may not face such instances in the future. Moreover, we use the Carraro cartouche in the drawings to identify such objects as Carraro property. Nevertheless, third parties

may attempt to copy or otherwise obtain and use our intellectual property or seek court declarations that they do not infringe upon our intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly, and we cannot assure you that the steps we have taken or will take will prevent misappropriation of our intellectual property. While we have not encountered any IP rights infringement in the past which required us to take legal actions, we may have to resort to litigation to enforce our IP rights in the future, which could result in substantial costs and diversion of our resources.

27. Errors in forecasting demand for our axles, transmissions and gears could result in the misallocation of production capacity which, in turn, could lead to decreased efficiency, increased cost and lost opportunities.

While we manufacture a significant portion of our products for sale based on confirmed orders under direct contractual arrangements, we determine the quantities manufactured for sales pursuant to management estimates based on historical levels of sales, actual sale orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Our ability to accurately forecast customer demand for our products is affected by various factors, including:

- a substantial increase or decrease in the demand for our products or for similar offerings of our competitors;
- changes in customers' requirements and model mix;
- aggressive pricing strategies employed by our competitors;
- failure to accurately forecast or changes in customer acceptance of our products;
- limited historical demand and sales data for our products in newer markets;
- fluctuations in foreign currencies; and
- weakening of general economic conditions or customer confidence that could reduce the sale of our products.

We maintain an inventory level that we think is appropriate to meet our customer demands and target to review our customer portfolio and demand on a monthly basis for more accurate inventory planning and adjustment. While we have maintained a low obsolete product ratio of 0.85%, 0.00%, 0.07% and 1.78% of our finished products in the six months ended September 30, 2024 and the past three Fiscals, respectively, there is no assurance that our inventory forecast and planning will continue to be accurate in the future, or that we will be able to make adjustments to our inventory levels in a timely manner or at all. Inventory levels that exceed customer demand may result in inventory write-downs or write-offs or we may be required to sell our excess inventory at discounted prices, which will adversely affect our gross margins and negatively impact our reputation and brand exclusivity. If we overestimate the demand for our products due to changes in market trends, we may have an excess inventory of raw materials and parts and may incur costs of manufacturing additional products, capital cost, costs of storage and potential compensation to our suppliers. Furthermore, if we have an excess inventory of raw materials and parts or if we produce excess inventory that cannot be sold, we may be required to write off significant portions of our inventory, which would directly impact our profitability and financial position. If we underestimate our requirements, our suppliers may supply inadequate inventory, which could result in delays in manufacturing due to a shortage of raw materials and parts. The lead time for raw materials and parts that we order from our suppliers may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each raw material and parts at a given time. If we fail to order sufficient quantities of raw materials and parts in a timely manner, the delivery of products to our customers could be delayed, which would harm our business, reputation, prospects, financial condition, results of operations and cash flows.

In addition, we may not be able to profitably utilize our capacity if demand for our products does not meet our expectations. In the six months ended September 30, 2024 and 2023 and the past three Fiscals, our driveline manufacturing plan and gear manufacturing plant were underutilized by 6.85%-28.58%, which indicates our capacity and readiness for future expansion in production volume. There is no assurance that we will profitably utilize our capacity in the future. The following table sets forth the installed capacity, actual production and capacity utilization across our driveline manufacturing plant and gears manufacturing plant for the periods or years indicated:

Particulars*	For six months ended September 30,						For Fiscals ended March 31,								
	2024			2023			2024			2023			2022		
	Installed production capacity (in nos.)	*Actual production (in nos.)*	*Capacity Utilization(1)*	*Installed production capacity (in nos.)*	*Actual production (in nos.)*	*Capacity Utilization(1)*	*Installed production capacity (in nos.)*	*Actual production (in nos.)*	*Capacity Utilization(1)*	*Installed production capacity (in nos.)*	*Actual production (in nos.)*	*Capacity Utilization(1)*	*Installed production capacity (in nos.)*	*Actual production (in nos.)*	*Capacity Utilization(1)*
Driveline manufacturing plant	93,850	69,891	76.83 %	89,330	75,167	88.84 %	178,660	129,606	81.07 %	173,600	132,169	80.20 %	159,900	131,286	82.11 %
Gears manufacturing plant	1,265,686	903,999	71.42 %	1,080,000	969,498	89.77 %	1,800,000	1,618,845	89.94 %	1,800,000	1,676,707	93.15 %	1,800,000	1,525,468	84.75 %

**As certified by Avinash Pawar, Chartered Engineer, by way of his certificate dated December 5, 2024.*

Note:

(1) As all products vary significantly in terms of value addition, cost, weight, input resources etc., the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where, production is drastically reduced due to fewer customer orders, no weightage is given.

For further details, see "***Our Business – Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization***" on page 223.

We cannot assure you that we will be able to achieve high capacity utilization rates in the future. Any reduction in our capacity utilization could limit our ability to leverage our economies of scale, thereby adversely affecting our margins and results of operations.

28. We derive 34.60%, 36.09%, 35.87%, 38.19% and 36.80% of our revenue from exports from the six months ended September 30, 2024 and September 30, 2023 and Fiscals 2024, 2023 and 2022, respectively. Our global operations involve challenges and risks that could increase our expenses, adversely affect our results of operations and require increased time and attention from our management.

We sell our axles, transmissions and gears in India, export directly to Asia (excluding India) and indirectly to customers outside of Asia through Carraro Drive Tech Italia S.p.A. The following table sets forth the geographical breakdown of our revenue (including revenue from customers sourced through Carraro Drive Tech Italia S.p.A.) for the six months ended September 30, 2024 and 2023 and the past three Fiscals:

	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue contribution	**% of total revenue**	**Revenue contribution**	**% of total revenue**	**Revenue contribution**	**% of total revenue**	**Revenue contribution**	**% of total revenue**	**Revenue contribution**	**% of total revenue**
	(in ₹ million, except otherwise stated)									
India	5,955.68	65.40%	6,110.48	63.91%	11,412.99	64.13%	10,531.12	61.81%	9,419.47	63.20%
Exports (1)	3,150.68	34.60%	3,450.89	36.09%	6,384.05	35.87%	6,506.37	38.19%	5,483.61	36.80%
– European Union	3,027.09	33.24%	3,350.11	35.04%	6,164.34	34.64%	5,885.77	34.55%	4,907.91	32.93%
– Asia (excluding India)	90.85	1.00%	42.86	0.45%	142.53	0.80%	104.46	0.61%	119.98	0.81%
– Americas	24.48	0.27%	33.27	0.35%	77.00	0.43%	516.14	3.03%	455.72	3.06%
– Rest of the world	8.26	0.09%	24.65	0.26%	0.18	0.00%	0.00	0.00%	0.00	0.00%

Note:

(1) We export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers outside of Asia through Carraro Drive Tech Italia S.p.A.

A significant portion of our revenue was derived from exports in the six months ended September 30, 2024 and 2023 and the past three Fiscals. However, our exports decreased from ₹ 6,506.37 million in Fiscal 2023 to ₹ 6,384.05 million in Fiscal 2024 despite our total revenue increased from ₹ 17,131.45 million in Fiscal 2023 to ₹ 17,889.65 million in Fiscal 2024, and our exports decreased from ₹ 3,450.89 million in the six months ended September 30, 2023 to ₹ 3,150.68 million in the six months ended September 30, 2024 while our total revenue decreased from ₹ 9,610.27 million in the six months ended September 30, 2023 to ₹ 9,146.19 million in the six months ended September 30, 2024. There is no assurance that we will be able to maintain or grow our revenue from exports in the future. Any decline in our exports in the future may adversely affect our business, cash flows, results of operations and future prospects. In particular, our revenue from the sale of products decreased by 4.56% to ₹ 9,027.87 million in the six months ended September 30, 2024 from ₹ 9,458.87 million in the six months ended September 30, 2023, primarily due to a reduction of export sales which decreased by 8.70% to ₹ 3,150.68 million from ₹ 3,450.89 million. This was due to weaker macro-economic conditions in some western destination markets

such as the United States and Europe according to Markets and Markets (see page 131 in "***Industry Overview***"), which reduced our direct export sales and indirect export sales through Carraro Drive Tech Italia S.p.A. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operation – Our Results of Operations – Six months ended September 30, 2024 Compared to Six months ended September 30, 2023 – Income***" on page 365.

Further, our global operations subject us to risks inherent in doing business in such geographies. Some of these risks include,

- the unexpected deterioration of the relationship between India and countries to which we export our products to or from which we import our raw materials, including the imposition of trade and economic sanctions and the revocation of free trade agreements;

- the failure to comply with a variety of international, national and local legal and regulatory requirements, including consumer protection, data protection, labor, intellectual property, tax and trade law, as well as tariffs, export quotas, customs duties or other trade restrictions;

- the potential for unexpected changes in legal, political, regulatory, social and economic conditions or policies in the countries in which our products are sold and in countries from which we source raw materials from third-party suppliers;

- exposure to liabilities under various anti-corruption and anti-money laundering laws;

- the need to adjust our business approach effectively to target customers in the various countries in which we operate, and adapt our product offering and our logistics, payment, fulfilment and customer care practices to take account of local preferences, customs and practices; and

- increasing rates of inflation and foreign exchange fluctuations, which would affect our profitability.

While we have adapted to the above risks associated with our global operations and have not encountered any instance of such risks that had a material adverse impact on our financial condition and results of operations in the six months ended September 30, 2024 and the past three Fiscals, the occurrence of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

29. We are unable to trace some of our historical records including forms filed with the RoC, and certain of our forms are undated and/ or unstamped and/or have factual discrepancy. Further, we have delayed in making certain regulatory filings required to be made with the RBI under applicable law. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard.

Certain of our Company's corporate regulatory filings and records are not traceable as the relevant information was not available in the records maintained by our Company or in the physical records available at the relevant registrars of companies. The following documents in relation to certain corporate actions undertaken by our Company as mentioned hereunder are untraceable:

(1) Return of allotment (Form 2) for the allotment of 80 Equity Shares in relation to a rights issue undertaken by our Company on June 6, 1997;

(2) Rectified return of allotment (Form 2) for the allotment of 10,000,000 Equity Shares in relation to a rights issue undertaken by our Company on August 25, 1998;

(3) Form 29 in relation to consent of act as director filed for the appointment of Enrico Gomiero on the Board of our Company on June 6, 1997;

(4) Form 32 filed for the appointment of Enrico Gomiero on the Board of our Company on June 6, 1997 and October 7, 1998;

(5) Form 23 for the preferential allotment undertaken by the Company on November 13, 2008; and

(6) Copy of challans for the forms filed by the Company in relation to certain allotments and buy backs of Equity Shares, and other corporate actions undertaken by our Company.

The Equity Shares for which the above corporate records are non-traceable aggregate to 10,000,080 Equity Shares which constitute 17.59% of the paid-up Equity Share capital of our Company as on the date of this Red Herring Prospectus.

We engaged a firm of independent practicing company secretaries, Manish Ghia & Associates, Company Secretaries, that conducted a physical search of our records at the relevant registrars of companies and prepared a report on such search dated August 13, 2024, read with addendum dated August 22, 2024 (the "**RoC Search Report**"). However, we have not been able to retrieve such documents and challans of certain past form filings, and accordingly, have relied on the RoC Search Report and other supporting documents available in our records, including the resolutions passed by our Board or Shareholders in their meetings. Further, our Company has sent letters to the Registrar of Companies, Maharashtra at Pune and Registrar of Companies, Delhi and Haryana at New Delhi on August 13, 2024 and August 22, 2024, to inform them about our inability to trace the corporate records required to be filed with them.

Further, we have been unable to trace an approval received from the RBI in relation to an allotment of 10,000,000 Equity Shares aggregating to 17.59% of the paid-up Equity Share capital of our Company as on the date of this Red Herring Prospectus made by our Company to persons resident outside India, pursuant to a rights issue undertaken by our Company on March 9, 2000. We have requested RBI for a copy of such approval, through our current authorized dealer bank, *i.e.*, Axis Bank Limited, *vide* our letter dated August 21, 2024. We have relied on other supporting documents available in our records, including the return of allotment and resolutions passed by our Board. For further details, see "***Capital Structure – Notes to the Capital Structure – History of Equity Share capital of our Company***" on page 93.

Further, in the past, there has been an instance of a delay by our Company in filing Form FC-TRS and Form DI with the RBI for the transfer of equity shares of CTIPL held by one of our Corporate Promoters, Carraro International S.E., to our Company in connection with the acquisition of CTIPL by our Company pursuant to the share purchase agreement dated June 26, 2024. We cannot assure you that RBI will not impose a penalty on our Company in relation to the delay in filing, or that we will receive the acknowledgment in a timely manner such that the subsequent filings may be made by us. We shall comply with any actions taken by the RBI in the future in this regard, in accordance with the applicable regulatory framework. Any actions, including legal proceedings initiated by regulatory or statutory authorities, may have an adverse effect on our financial condition or reputation. For further details in relation to the acquisition of CTIPL by our Company, see "***History and Certain Corporate Matters –Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years – Acquisition of Carraro Technologies India Private Limited***" on page 248.

Additionally, in the Form PAS-3 filed in relation to the allotment of Equity Shares on September 24, 2014, pursuant to the merger of Turbo Gears India Private Limited with our Company, the premium amount per security has been inadvertently mentioned as ₹ 71.09 instead of 'nil'. While as on the date of this Red Herring Prospectus, no legal proceedings or regulatory action has been initiated against our Company in relation to any untraceable secretarial and other corporate records and documents or factual errors, we cannot assure you that such untraceable corporate records will be available in the future, and that we will not be subject to any proceedings initiated by any regulatory or statutory authority (including the RoC) in this respect. Any actions, including legal proceedings if initiated by regulatory or statutory authorities, may have an adverse effect on our financial condition or reputation.

Further, certain of the share transfer forms in relation to the Equity Shares transferred by our current/ erstwhile shareholders of our Company may not be adequately stamped and/ or dated. Additionally, such stamp duty paid by the relevant shareholders is untraceable within the records maintained by the Company. In the event of any such irregularity, we may not be able to enforce the validity of such transfers in the event of a dispute with a third party unless we pay the applicable stamp duty as well as prescribed penalty, if any.

30. Our sales volumes are subject to fluctuations and are dependent on the end customers' demands. Any loss of customer relationship could have an adverse impact on our reputation, business, results of operations and financial condition.

Although we usually enter into long-term contracts with our customers of at least five years, we do not have exclusive contracts with our customers and the orders are placed on an as-needed basis. The volumes that our customers require from us are also subject to fluctuations, depending on various factors such as end consumers' demand for our customers' products, monsoon, and availability of government subsidies, and there is no assurance that they will continue to demand for our services on the same volumes and terms as are currently subsisting. As

such, our business is dependent on our ability to maintain and strengthen our relationships and arrangements with existing customers. Our relationship with our customers is dependent to a large extent on our ability to regularly meet their requirements, including by price competitiveness, efficient and timely deliveries and consistent quality. In the event we are unable to meet such requirements in the future, it may result in a decrease in orders or cessation of business from the affected customers. There are also a number of factors relating to our customers beyond our control that might result in the termination of our arrangement or the loss of a customer relationship, including changes in the demand for their products that may adversely affect the volumes required from us. Further, the deterioration of the financial condition or business prospects of these customers could reduce demand for our products and could result in a significant decline in the revenues we derive from such customers. Adverse changes in our relationships with our customers or the inability to develop new services and solutions for existing customers or to successfully establish relationships with new customers, could therefore limit our business prospects, which could adversely affect our financial performance.

31. We may not be successful in implementing our growth strategy, which may have an adverse impact on our reputation, business, prospects, results of operations and financial condition.

Our growth strategy involves focusing on product and application innovation with an aim to increase market penetration, developing future-ready technologies to drive product innovations, further localization of our supply chain and digitalization our production flow and generating a visualized shop flow for easier tracking and quality assurance in order to increase production efficiency. We face numerous challenges in implementing our growth strategy, including our ability to develop new or enhanced technologies or processes necessary to drive product innovations or digitalization, or availability of local suppliers providing raw materials and parts as per our specifications and quality standards to support our localization strategy.

Furthermore, there can be no assurance that we will have the financial resources to make all the investments we have planned, and, as a result, we may be subject to delays in implementing our growth strategy. Increase in our Indian market penetration may also strain our existing management resources and operational, financial and management information systems to the point where they are no longer adequate to support our operations and require us to make significant expenditures in these areas.

32. We or the Carraro Group may not succeed in continuing to establish, maintain and strengthen the "Carraro" brand and the "Carraro" brand could be harmed by complaints and negative publicity, in India and globally, which could have an adverse impact on our reputation, business, results of operations and financial condition.

As part of the Carraro Group, we use the Carraro corporate name, logo and trademarks in our operations, as per the Trademark Agreement between Carraro S.p.A. and our Company dated March 31, 2013, as amended by the amendment agreement dated April 5, 2013. We also manufacture and sell products of which IP rights is sub-licensed to our Company by Carraro Drive Tech Italia S.p.A. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" on pages 249 and 250, respectively.

The success of our business depends on our and the Carraro Group's ability to develop, maintain and strengthen the "Carraro" brand, which depends heavily on the success of the Carraro Group's marketing efforts. To promote the "Carraro" brand further, we may be required to evolve our marketing practices, which could result in significant advertising expenses through traditional media such as television, radio and print as well as social media. The Carraro Group's current and potential competitors, particularly components manufacturers for agricultural tractors and construction vehicles that are headquartered in India, the United States and Europe may have greater name recognition, longer operating histories, broader customer relationships and substantially greater marketing resources than we do. We may not be able to invest adequately in marketing or customer engagement, which could lead to losing customers to such competitors. If we or the Carraro Group fail to preserve the value of the "Carraro" brand, maintain our reputation, or attract consumers to our brand through, for example, quality after-sale services to our customers, our business could be adversely impacted.

Negative media publicity generated on social media or other media platforms due to any complaints and any negative media publicity about our products or the industry we operate in, or product or service quality problems

of other manufacturers in the industry we operate, including our competitors, may also negatively impact our or the Carraro Group's reputation and the "Carraro" brand. While we have not encountered any complaints or negative publicity in India and globally in the past that had a material adverse impact on our reputation and the "Carraro" brand, adverse information, whether accurate or not, can rapidly spread through social media and other online channels, potentially damaging our reputation and brand image. Furthermore, managing and mitigating the effects of such negative publicity can divert our management's attention and resources, and may require significant expenditures. The rapid and widespread dissemination of negative news on social media or other media channels could have a material adverse effect on our business, financial condition, and results of operations.

Also, any actual or perceived defects in products or services of any member of the Carraro Group may be attributed to the Carraro brand as a whole. If we or the Carraro Group are unable to maintain our reputation or further enhance our brand recognition, our ability to attract and retain a critical mass of customers, third-party partners and key employees could be harmed and, as a result, our business, financial position and results of operations could be materially and adversely affected. Our brand image may also be affected negatively if customers believe we are no longer able to innovate and/or offer high-quality axles, transmissions and gears that meet evolving customer demands which, in turn, would affect our sales, business and results of operations. For more details, see "***– Internal Risks – Our future success depends on our ability to identify market trends, innovate and meet evolving customer demands and preferences profitably. If we are unable to do so, our sales, business and results of operations would be adversely affected***" on page 45.

33. We are exposed to risks in connection with the potential failure or non-performance of distributors or authorized dealers that provide after-sales services to our customers.

We rely on various third-party service providers for after-sales services. Our after-sales services network in India includes distributors or authorized dealers that sell our spares. As of September 30, 2024, we had 3 domestic distributors across different states in India, 1 international distributor and 5 domestic authorized dealers across 4 states in India. For further details, see "***Our Business – Sales and Distribution – Sales and Marketing***" on page 230. For the six months ended September 30, 2024 and 2023 and the past three Fiscals, our revenue from products sold through distributors contributed to not more than 0.50% of our total revenue and our authorized dealers contributed to not more than 2.00% of our total revenue, and we have not provided any commission or discount on product price to our distributors and authorised dealers Further, our arrangements with our distributors and authorized dealers are on a non-exclusive basis and they may work for our competitors, which may adversely affect our sales of products through them. Our Company supports the OEM after-sales network under the "train the trainer" program in which we provide training to trainers in our OEM customers' after-market services team on documentation and solutions for repair and maintenance issues. Any failure of these distributors or authorized dealers to perform their duties adequately could lead to customer dissatisfaction, which in turn could adversely affect our customer relations and reputation. Furthermore, any failure or inadequacy in the quality of the after-sales services can increase warranty claims, product returns and legal liabilities, adversely affecting our business and financial condition. Furthermore, the failure of these providers to comply with regulatory standards or contractual obligations can also expose us to legal risks and penalties. While we have not experienced any instances of failures of our after-sales services network in six months ended September 30, 2024 and past three Fiscals, if any such instance occur in the future, our reliance on third-party after-sales service providers and the potential consequences of their failure or non-performance could adversely materially impact our business, financial condition, and results of operations.

34. We require certain approvals and licenses in the ordinary course of business and are subject to costs, risks and uncertainties, including those associated with laws and regulations in domestic and foreign jurisdictions in which we operate, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.

Our operations are subject to extensive government regulation, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. In addition, to operate our manufacturing plants, we require land use and environmental permits and other operating permits, including consents to establish and operate from central, state, and local government entities. While we currently have the necessary approvals to carry out and perform our current plans and operations at our manufacturing plants, our approvals may expire from time to time in the ordinary course and we may be required to make applications for such renewals. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, it may disrupt our operations, result in the imposition of penalties and may materially and adversely affect our business, results of operations and financial condition. While there has been no instance where we failed to obtain regulatory approvals in the six months ended September 30, 2024 and the last three Fiscals which had an adverse material impact on the financials of the

Company, there is no assurance that such instance will not arise in the future. Further, while there has been no instance in the six months ended September 30, 2024 and the last three Fiscals where our licenses or approvals were suspended or cancelled by any regulatory authority which impacted our operations, there is no assurance that such instance will not arise in the future, which could adversely affect our business, results of operations and financial condition. For further details on the material approvals and licenses required for our business, see "***Government and Other Approvals***" on page 397.

A few of these approvals are granted for a limited duration or are subject to certain conditions, including periodic renewal and maintenance standards. While there was no past instance of non-compliance with conditions of the approvals, we cannot assure you that these approvals 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. Delays, denials or restrictions on maintaining or procuring permits for our operations could adversely affect our ability to execute our business plans and objectives. See also "***– External Risks – Changing regulations in India could lead to new compliance requirements that are uncertain***" on page 66.

35. We are subject to substantial government regulations, which are subject to change, and the failure to comply with such regulations may materially adversely affect our operations.

The markets and customers we serve are subject to substantial government regulations, which often differ by state, region and country. We can be impacted by expected and unexpected changes in the legal and regulatory environments in India and the countries where we export our axles, transmissions and gears. Our operations and manufacturing processes are subject to various laws and regulations governing, among other things, emissions to air, discharge to waters and the generation, handling, storage, transportation, treatment and disposal of waste and other materials. For details regarding environmental regulations applicable to our Company, please see "***Key Regulations and Policies in India***" on page 239. In particular, according to Markets and Markets, India has implemented stringent emission regulations such as Bharat Stage (CEV/TREM) IV and V emission standards for off-highway equipment, the compliance of which requires farm tractor OEMs to implement various modifications across the powertrain and emission control systems (see page 146 in "***Industry Overview***"). We are also subject to domestic, regional, and foreign laws and regulations governing, among other things, environmental regulations, health and safety of employees, labor and accounting laws, foreign trade and investment, import and export license requirements, tariffs and taxes and intellectual property enforcement issues. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Violations of such laws and regulations could result in the imposition of significant fines and penalties, the suspension, revocation or non-renewal of our permits, production delays or limitations, imposition of terms of imprisonment or the closure of our plants. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials we need for our manufacturing processes. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

From time to the time, the Government of India and certain state governments may introduce new laws and regulations (some of which could be applied retrospectively) that may impact the costs of our products and raw materials, our sales, profit margins and results of operations. If we are unable to comply with any applicable domestic or foreign laws, our business, results of operations and financial condition could be adversely affected. Further, changes in domestic and foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, tariffs and taxes, intellectual property enforcement issues as well as changes in policies relating to foreign trade and investment, may affect our ability to operate and the manner in which we manage our business in the countries in which we operate.

36. Failure or disruption of our information technology systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.

We utilize third-party business software and solutions to support our operations and office automation systems that span across our network infrastructure, including enterprise resource planning, manufacturing execution systems and data warehouse. We regularly review and update our systems to ensure operation efficiency to align with and support our business needs, and periodically assess our IT system to ensure security and quality of our

information technology infrastructure. For further details, see "***Our Business – Description of our Business and Operations – Information Technology***" on page 230. We plan to continue to increase our use of technology in the future. However, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. A large-scale information technology malfunction could disrupt our business or lead to disclosure of, and unauthorized access to, sensitive information of our Company. Our systems are also potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data, including data of customers, to unauthorized persons. Such data security breaches could lead to unauthorized access to our systems, misappropriation of data and unforeseen disclosure or transfer of data. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various information technology systems, which are susceptible to malfunctions and interruptions (including those due to cyberattacks, equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). We have been subject to a ransomware attack in the past which was contained immediately with no data breach or production downtime and we have encountered two instances of interruption to our infrastructure or data communication in the six months ended September 30, 2024 and the past three Fiscals which did not cause material adverse impact to our operations, financials and IT systems. However, we cannot assure that we will not encounter any such malfunction or disruptions in the future which may interrupt our business operations and result in economic losses. While we have taken data and privacy breach insurance to cover cyber risk exposure at a level which we consider would be adequate to cover data and privacy breach risks associated with the operation of our business, and intend to renew such insurance upon its expiry, there is no assurance that such insurance covers all possible events, see "***Risk Factors – Internal Risks – We rely primarily on third-party insurance policies to insure our operations-related risks. If our insurance coverage is inadequate, it may have an adverse effect on our business, financial condition and results of operations***" on page 60 for further details. Further, even where we have maintained adequate insurance, any failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Any failure in overhauling or updating our information technology systems in a timely manner could cause our operations to be vulnerable to external attacks and inefficient. Hence, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to conduct our normal business operations, which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our information technology systems may lead to inefficiency or disruption of our information technology systems, thereby adversely affecting our ability to operate efficiently. We are also partially dependent on external vendors for certain elements of our operations and are exposed to the contractual risks and operational risks of such external vendor Their failure to perform their contractual obligations could materially and adversely affect our business, results of operations and cash flows.

37. Our business depends on adequate and uninterrupted availability of power, fuel and water, and any disruption to power or water sources could increase our production costs and may have an adverse impact on our operations.

We require substantial power and fuel for our manufacturing facilities. The following table sets forth our power and fuel expenses in the periods or years indicated:

	For six months ended September 30,				**Fiscal**					
	2024		**2023**		**2024**		**2023**		**2022**	
	Expenses	**% of total expenses**	**Expenses**	**% of total expenses**	**Expenses**	**% of total expenses**	**Expenses**	**% of total expenses**	**Expenses**	**% of total expenses**
	(in ₹ million, unless otherwise stated)									
Power and fuel expenses	140.34	1.64%	144.92	1.55%	280.85	1.63%	274.58	1.65%	256.68	1.72%

If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline. Energy prices can be affected by numerous factors beyond our control, including global and regional supply and demand, carbon taxes, inflation, political and economic conditions, and applicable regulatory regime.

While we produce solar power in-house in our manufacturing plants, we also source the electricity requirements for our manufacturing facilities from a single supplier. Similarly, we source water for our manufacturing facilities from a single supplier. If our electricity and water suppliers increase the price for electricity and water, we may not be able to adequately pass on such increase to our customers. Any significant increase in the cost of water, electricity and fuel could adversely affect our profitability and operating margins. Additionally, we may not be able to maintain our relationship with our suppliers on terms favorable to us or at all or find an alternative supplier on short notice. 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 or water is not available, we may need to shut down our plants until an adequate supply of electricity or water is restored. Interruptions of electricity or water supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. While we have not faced such instances in the six months ended September 30, 2024 and the last three Fiscals, we cannot assure that production shutdowns will not occur in the future.

38. Our business depends substantially on the continued efforts of our management including our Key Managerial Personnel and our Senior Management and other qualified personnel, and our operations may be disrupted if we lose their services.

Our success depends substantially on the continued efforts of our management including members of our Senior Management, Key Managerial Personnel and other qualified personnel with expertise in various areas. In particular, since we differentiate ourselves from other market players with our integrated R&D and manufacturing capabilities, we depend on R&D employees of CTIPL for innovating, designing and differentiating our products. Competition for qualified and skilled personnel in our industry is intense and we may not continue to be successful in our efforts to attract and retain qualified personnel. The specialized skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. Our competitors may offer compensation and remuneration packages beyond what we are offering to our employees. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Our Key Managerial Personnel and Senior Management have been with our Company for an average of more than 11.3 years. If one or more of our Key Managerial Personnel, our Senior Management or other qualified personnel including the R&D employees of CTIPL, are unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all, or have access to such seconded experienced personnel, which could have a material adverse impact on our business, results of operations, financial position and cash flows. As we build our brand and become more well-known across our existing markets and target markets, the risk that our competitors or other companies may poach our talent increases. Our industry is characterized by high demand and intense competition for talent, and therefore we cannot assure you that we will be able to attract, hire, train or retain engineers, qualified staff or other highly skilled employees.

Furthermore, our ability to train and integrate new employees into our operations may not meet the growing demands of our business, which may materially and adversely affect our ability to grow our business and our results of operations. Any negative publicity arising from such turnover may adversely affect our reputation and our ability to attract talent. The table below provides our permanent employee attrition rate and Key Managerial Personnel and Senior Management attrition rate for the six months ended September 30, 2024 and 2023 and the last three Fiscals:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
			(in %)		
Permanent employee attrition rate	1.77%	4.25%	7.58%	4.34%	3.36%
Key Managerial Personnel and Senior Management attrition rate	0.00%	0.00%	12.50%	12.50%	0.00%

If any of our members of our Key Managerial Personnel, our Senior Management or other qualified personnel terminates their services with us due to death, disability or any other reason, or if their reputation is adversely impacted by personal actions or omissions or other events within or outside their control, our business may be disrupted, our financial condition and results of operations may be materially and adversely affected and we may incur additional expenses to recruit, train, and retain qualified personnel. If any of our Key Managerial Personnel, our Senior Management or other qualified personnel joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. If we are unable to effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to meet forecasts and

productivity levels could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

39. As of September 30, 2024, we engaged 39 contractors and 635 contractual temporary employees in our production processes, and their failure to complete the project on time or at all may adversely affect our business and profitability.

We engage independent contractors in our non-core production processes. As on September 30, 2024, we had engaged 39 contractors and 635 contractual temporary employees. Any delays by our contractors and contractual temporary employees to complete the relevant production process in a timely and successful manner could result in our inability to meet project timelines. While there had been no such instances of delays in the six months ended September 30, 2024 and the last three Fiscals, we cannot assure that we will not experience any such delays in the future. In case of such delays, we may be held accountable for the consequences of such non-compliance which may result in fines, penalties or other regulatory actions, leading to disruption of operations and impact on financial performance.

40. We may not realize the anticipated benefits of existing or future strategic alliances, acquisitions, divestitures, or business strategies.

We may in the future enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These investments could subject us to a number of risks, including risks associated with sharing proprietary information with and non-performance by third parties, and increases in expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties. To the extent any of the third parties from our strategic alliance, joint venture, acquisition or divestiture investments suffers negative publicity or harm to their reputation from events relating to their businesses, we may suffer negative publicity or harm to our reputation by virtue of our association with any such third party. We cannot assure you that we will be able to identity suitable acquisition opportunities, negotiate favorable terms or successfully acquire identified targets.

On June 28, 2024, our Company successfully completed the acquisition of CTIPL from the erstwhile shareholder of CTIPL, who is also one of our Corporate Promoters, *i.e.*, Carraro International S.E. For further details in relation to the acquisition, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years – Acquisition of Carraro Technologies India Private Limited***" on page 248. While we do not believe we are subject to any significant integration risks on account of the acquisition, the success of such acquisition or other acquisitions that we may undertake from time to time depends, in part, on our ability to realize the anticipated growth opportunities and synergies from integrating these businesses, which requires substantial management attention and efforts as well as additional expenditures.

41. We have used information from the Markets and Markets Report which we commissioned for industry related data in this Red Herring Prospectus and any reliance on such information is subject to inherent risks.

We have commissioned and availed the services of an independent third-party research agency Markets and Markets Research Private Limited to prepare the report titled "*Strategic Analysis of the Indian Agricultural Tractor and Construction Vehicle Component Market*" dated December 5, 2024 (the "**Markets and Markets Report**"), for purposes of inclusion of such information in this Red Herring Prospectus to understand the industry in which we operate pursuant to an engagement letter dated May 15, 2024. A copy of the Markets and Markets Report is available on the website of our Company at https://www.carraroindia.com/investors/investor-information/other-documents. The information is subject to various limitations, highlights certain industry and market data relating to us and our competitors which may not be based on any standard methodology and is based upon certain assumptions that are subjective in nature. Neither our Company, nor the BRLMs are related to Markets and Markets. In addition, we have not independently verified such third-party information. Further, the paid and commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as specialist advice or investment advice. Accordingly, investors should read the industry related disclosures in this Red Herring Prospectus in this context. The Markets and Markets Report may use certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ from those we record internally. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Statements from third parties that involve estimates are subject to change, and actual amounts may differ

materially from those included in this Red Herring Prospectus. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For further details, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data***" on page 20.

42. Changes in tax laws may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

New income, goods and services tax, sales, customs, use or other tax laws, statutes, rules, regulation or ordinances could be enacted at any time, or interpreted, changed, modified or applied adversely to us, any of which could adversely affect our business operations and financial performance. The Government of India announced the interim union budget for Fiscal 2025 and the finance bill in the Lok Sabha on February 1, 2024. The bill has received assent from the President of India on February 15, 2024, and has been enacted as the Finance Act, 2024. While the Finance Act, 2024 does not make any significant changes to the Income Tax Act, the full Union Budget for Fiscal 2025 was announced on July 23, 2024, which proposes to introduce various amendments to the Income Tax Act through the Finance (No. 2) Bill, 2024.

We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business. Any difference in our interpretations of the tax laws applicable to us, from those of the relevant regulatory authorities, may have an adverse impact on our business and results of operations. To the extent that such changes have a negative impact on us, our suppliers or our customers, including as a result of related uncertainty, these changes may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

43. We require significant capital, and may need to seek additional financing to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.

For more details of our capital commitments, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Commitments***" on page 377. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes, additional market developments and new opportunities in the agricultural tractor and construction vehicle industry. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, need to seek additional financing from third parties, including banks and financial institutions. Our ability to arrange financing and the costs of capital of such financing depend 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. We may be subject to certain restrictive covenants in respect of our debt financing. See "***– Our Company has a high working capital requirement and had total borrowings of ₹1,957.77 million, ₹2,125.46 million, ₹1,883.30 million and ₹1,781.38 million as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively and a net working capital turnover ratio of 4.20, 6.35, 12.87, 10.63 and 17.87 for the six months ended September 30, 2024 and 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. If we are unable to comply with repayment and other covenants in our financing agreements, our business, financial condition, cash flows and credit rating could be adversely affected***" on page 38. For details in relation to the terms of our existing financing arrangements, see "***Financial Indebtedness***" on page 348. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

44. Foreign exchange rate fluctuations can adversely affect our financial results due to sales and expenses in different currencies and the value of our Equity Shares.

Although our Restated Consolidated Financial Information are reported in the Indian Rupee, our financial results and assets and liabilities resulting from our imports and exports may be materially affected by changes in the exchange rates of foreign currencies, which have fluctuated significantly in recent years. A proportion of our financial results, assets and liabilities are accounted for in currencies other than the Indian Rupee before being converted into and reported in the Indian Rupees. In addition, the policies of the Reserve Bank of India ("**RBI**") may change from time to time, which may limit our ability to effectively hedge our foreign currency exposures

and may have an adverse effect on our business, financial condition, cash flows and results of operations. To the extent that we incur costs in one currency and make sales in another, our profit margins may be affected by changes in the exchange rates between the two currencies. Since the currency in which sales are recorded may not be the same as the currency in which expenses are incurred, foreign exchange rate fluctuations may materially affect our results of operations. Our exposure to foreign exchange rate fluctuation risks mainly derived from import of parts, royalty payments and export of products. The following table sets forth the geographical spread of our revenue (including revenue from customers sourced through Carraro Drive Tech Italia S.p.A.) for the periods or years indicated:

	For six months ended September 30,				For Fiscal ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
	(in ₹ million, except otherwise stated)									
India	5,955.68	65.40%	6,110.48	63.91%	11,412.99	64.13%	10,531.12	61.81%	9,419.47	63.20%
Exports [(1)]	3,150.68	34.60%	3,450.89	36.09%	6,384.05	35.87%	6,506.37	38.19%	5,483.61	36.80%
– Europe	3,027.09	33.24%	3,350.11	35.04%	6,164.34	34.64%	5,885.77	34.55%	4,907.91	32.93%
– Asia (excluding India)	90.85	1.00%	42.86	0.45%	142.53	0.80%	104.46	0.61%	119.98	0.81%
– Americas	24.48	0.27%	33.27	0.35%	77.00	0.43%	516.14	3.03%	455.72	3.06%
– Rest of the world	8.26	0.09%	24.65	0.26%	0.18	0.00%	0.00	0.00%	0.00	0.00%

Note:

(1) We export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers in Europe, Americas and rest of the world through Carraro Drive Tech Italia.

The following table provides a breakdown of revenue by its currencies for the periods or years indicated:

Particulars	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
Total Revenue from operations *(in ₹ million)*	**9,146.19**	**100.00%**	**9,610.27**	**100.00%**	**17,889.65**	**100.00%**	**17,131.45**	**100.00%**	**14,975.43**	**100.00%**
– Revenue from operations in INR	7,093.87	77.56%	7,770.58	80.86%	14,059.43	78.59%	13,586.04	79.30%	11,313.17	75.54%
– Revenue from operations in EURO	1,804.45	19.73%	1,612.04	16.77%	3,274.39	18.30%	2,855.16	16.67%	2,794.57	18.66%
– Revenue from operations in USD	195.19	2.13%	227.65	2.37%	539.27	3.01%	690.25	4.03%	867.69	5.79%
– Revenue from operations in CNY	52.68	0.58%	0.00	0.00%	16.56	0.09%	0.00	0.00%	0.00	0.00%

The following table provides a breakdown of cost of materials consumed from domestic suppliers and through imports for the periods or years indicated:

	For six months ended September 30,				Fiscal					
	2024		2023		2024		2023		2022	
	Cost	% of total cost of materials consumed	Cost	% of total cost of materials consumed	Cost	% of total cost of materials consumed	Cost	% of total cost of materials consumed	Cost	% of total cost of materials consumed
	(in ₹ million, unless otherwise stated)									
Cost of materials sourced from domestic suppliers	4,945.96	74.42%	5,349.92	72.69 %	9,786.34	73.18 %	9,625.05	74.58 %	8405.03	73.67%
Cost of materials sourced through imports	1,699.79	25.58%	2,009.74	27.31 %	3,586.08	26.82 %	3,280.03	25.42 %	3003.58	26.33%
Cost of materials consumed	**6,645.75**	**100.00 %**	**7,359.66**	**100.00 %**	**13,372.42**	**100.00%**	**12,905.08**	**100.00 %**	**11,408.61**	**100.00 %**

While we do not have specific arrangements with our suppliers to minimize foreign exchange risk, we adopt a natural hedge strategy by seeking to neutralize the risk of exchange rate fluctuations through matching our export sales and imports. We also enter into derivative transactions such as forward contracts for our borrowings and have adopted policies for financial risk management which include strategies to hedge our foreign currency exposure. For some of our raw materials and parts that are imported from overseas, payments are made based on exchange rates calculated on due dates agreed with the relevant overseas suppliers. Although the impact of exchange rate fluctuations has in the past been partially mitigated by such strategies, our results of operations have historically been affected by exchange rate fluctuations and there can be no assurance that such strategies will be effective in reducing or eliminating the adverse impact of such fluctuations in the future. The following table sets forth the effect of exchange rate changes on cash and cash equivalents in the six months ended September 30, 2024 and 2023 and the past three Fiscals:

	For six months ended September 30,		Fiscal		
	2024	2023	2024	2023	2022
				(in ₹ million)	
Effect of exchange rate changes on cash and cash equivalents	(33.34)	(7.69)	12.85	(19.56)	(4.34)

Exchange rate fluctuations can also affect the Indian Rupee value of our equity investments and monetary assets and liabilities denominated in foreign currencies irrespective of operating results, which could have an adverse impact on the value of our Equity Shares. However, to the extent we are unable to match revenues received in foreign currencies from our business operations or hedging arrangements with costs incurred in the same currency, or there are sharp exchange rate fluctuations between such currencies, fluctuations in exchange rates could materially and adversely affect our liquidity or our ability to efficiently utilize our working capital as well as results of operations.

45. Our business strategy and competitive position are heavily dependent on the success of our R&D activities and failure to achieve successful innovations would have an adverse impact on our growth, business and financial condition.

As a manufacturing company, our business strategy and competitive position are heavily dependent on the success of our R&D activities conducted through CTIPL, which has become our Subsidiary after our acquisition of CTIPL in June 2024. Over the years, the R&D team at CTIPL has supported the R&D team of the Carraro Group to launch various products of the Carraro Group, including launch of the 120 HP tractor transmission in 2013, launch of the 20.09/20.14/20.16 series of planetary axle in 2014 to 2015, launch of the steering axle applicable for 4-WD vehicles in 2016, launch of a SCOM axle with hypoid design in 2019, launch of the 40.16 series of planetary axle in 2022 and launch of the AG Evo transmission in 2022. For further details, see "***Our Business – Strengths – Strong, in-house R&D capabilities with proprietary IP rights to facilitate innovation of future-ready products***"

on page 205. The outcome of the R&D projects or initiatives are inherently uncertain and R&D projects or initiatives may not result in commercially viable products, processes, or technologies. Despite significant investments of time and resources, there can be no assurance that our R&D efforts will result in successful innovations, and failure to achieve successful innovations could adversely impact our ability to meet the demand of our customers and to maintain or develop our market position and could result in financial losses, which would have an adverse effect on our business and financial condition.

The costs associated with R&D activities can be substantial and may not always be recoverable. Continued investment in R&D is necessary to remain competitive, but it can strain our financial resources, particularly if we cannot materialize the anticipated commercial benefits from our R&D projects or initiatives, which could have an adverse effect on our ability to invest in other critical areas of our business and our growth.

Our ability to be successful in relation to our R&D projects or initiatives and achieve new product innovations are also dependent on our ability to adapt to rapid technological advancements and evolving industry standards. If we fail to anticipate or respond quickly to technological changes, our products and processes may become outdated, which would negatively impact the success of our R&D projects or initiatives and business growth, and reduce our competitiveness and profitability.

Furthermore, even if our R&D efforts lead to the development of new products or technologies, commercial success of these depends on market acceptance. Changes in customer preferences, competitive offerings, and economic conditions can affect the demand for our innovations, and could result in lower-than-expected returns on our R&D investments.

46. We rely primarily on third-party insurance policies to insure our operations-related risks. If our insurance coverage is inadequate, it may have an adverse effect on our business, financial condition and results of operations.

Our operations are subject to various risks and hazards inherent in the manufacturing business, including breakdowns, failure or substandard performance of equipment, third party liability claims, labor disturbances, employee fraud and infrastructure failure, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks. The following table sets forth our cost of insurance in the periods/ Fiscals indicated:

Particulars	**For six months ended September 30,**		**For Fiscals ended March 31,**		
	2024	**2023**	**2024**	**2023**	**2022**
Cost of insurance (₹ in millions)	11.70	10.32	20.16	15.84	11.23

While we believe our insurance policies, which include protection from, among others, fire, burglary, transit damage, employee compensation, hazardous substances, data and privacy breach, public liability insurance, group personal accident insurance and group mediclaim insurance, have been adequate in the six months ended September 30, 2024 and the last three Fiscals to cover the normal risks associated with the operation of our business, there can be no assurance that our insurance coverage will be sufficient to cover all future claims and all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Such insurance policies are not necessarily applicable to all of our assets. The following table sets forth details of our insurance coverage as on the period/ Fiscal ends indicated:

	As at September 30,			**As at March 31,**								
	2024			**2024**			**2023**			**2022**		
	Property, plant and equipment	**Inventories**	**Total**	**Property, plant and equipment**	**Inventories**	**Total**	**Property, plant and equipment**	**Inventories**	**Total**	**Property, plant and equipment**	**Inventories**	**Total**
Insurance coverage (*in ₹ million*)	**11,315.43**	**2,809.93**	**14,031.19**	11,167.91	2,809.93	**13,977.84**	9,008.83	2,402.55	**11,411.38**	9,165.88	2,259.64	**11,425.51**
Amount of net book	**3,326.51**	**2,909.91**	**6,236.42**	3,253.62	2,864.48	**6,118.10**	3,022.95	2,553.00	**5,575.95**	2,758.79	2,366.41	**5,125.20**

	As at September 30,			As at March 31,								
	2024			2024			2023			2022		
	Property, plant and equipment	Inventories	Total	Property, plant and equipment	Inventories	Total	Property, plant and equipment	Inventories	Total	Property, plant and equipment	Inventories	Total
value (*in ₹ million*)												
% of insured assets to total assets (*in %*)	**30.42 %**	**26.61 %**	**57.03 %**	**30.33 %**	**26.70 %**	**57.02 %**	**28.19 %**	**23.81 %**	**52.00 %**	**27.25 %**	**23.37 %**	**51.21%**
Insurance Coverage to net value of assets (*in %*)	**340.16%**	**96.56 %**	**226.50 %**	**343.25 %**	**98.10 %**	**228.47 %**	**298.01 %**	**94.11 %**	**204.65 %**	**332.24 %**	**95.49 %**	**222.93 %**

However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. While the majority of our contracts with suppliers include indemnification provisions for liabilities arising from product defects, such recourses are subject to limitations set for the contracts, and there is no assurance that we will be able to claim losses from suppliers due to product liability claims or recalls resulting for defective supplies. Further, our insurance policies expire from time to time and we apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of date, we cannot assure you that such renewals of these insurance policies will be granted in a timely manner in the future (on expiry), at acceptable cost or at all.

We may not have identified every risk, and further may not be insured against every risk, including operational risks that may occur, and the occurrence of an event that causes losses more than the limits specified in our policies, or losses arising from events or risks excluded, limited or not covered by insurance policies or due to the same being inadequate. Any of the above could materially harm our financial condition and future results of operations and cash flows. Even if our insurance coverage is adequate to cover our direct losses, we may not be able to take remedial actions or other appropriate measures in a timely manner or at all. If we were to make a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. While we have not faced any such instances in the six months ended September 30, 2024 and the last three Fiscals which led to a material adverse effect on our business or operations, if our losses significantly exceed or differ from our insurance coverage or cannot be recovered through insurance in the future, our business, results of operations, cash flows and financial condition could be adversely affected. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. If we are unable to pass the effects of increased insurance costs on to our customers, the costs of higher insurance premiums could have a material adverse effect on our costs and profitability. Additionally, while there was no past instance of failing to obtain insurance or our insurance application being rejected in part or at all in the six months ended September 30, 2024 and the past three Fiscals, our insurance claims may be rejected by the insurance companies in the future and there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. For further details, see "***Our Business – Description of our Business and Operations – Insurance***" on page 237.

47. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks. Despite our internal control systems, we may be exposed to operational risks, including internal or external fraud or misconduct by our employees or other third parties, which could adversely affect our reputation and our results of operations.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. Notwithstanding that the auditors' report issued on the internal financial controls over financial reporting of our Company for Fiscals 2024, 2023 and 2022 did not contain a qualified opinion or disclaimer of opinion, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect,

rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, each of which may have an adverse effect on our business, financial condition, results of operations and cash flows.

We may be subject to instances of fraud, misappropriation, unauthorized acts and misconduct by our representatives and employees which may go unnoticed for certain periods of time before corrective action is taken. Fraudulent and unauthorized conduct by our employees could also bind us to transactions that exceed the scope of authorization and present significant risks to us. As a result, we may be subject to regulatory sanctions, brand and reputational damage or financial harm. It is not always possible to deter fraud or misconduct by employees and the precautions we take and the systems we have put in place to prevent and deter such activities may not be effective in all cases. While we have not experienced any past instance of fraud or misconduct by employees or third-party contractors, there can be no assurance that we will not be faced with such fraud or misconduct in the future. Further, we employ third parties for certain operations and accordingly, we are exposed to the risk of theft and embezzlement. In addition, we may be subject to regulatory or other proceedings in connection with such acts by our employees, which could adversely affect our goodwill. Even when we identify such instances and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such instances of fraud, misappropriation, unauthorized acts and misconduct by our representatives and employees.

48. We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, prospects, financial condition, results of operations, and cash flows.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct or in the future may conduct activities, including the Prevention of Money Laundering Act, 2002, Prevention of Corruption Act, 1988, U.S. Foreign Corrupt Practices Act ("**FCPA**"), the U.K. Bribery Act 2010, and other anti-corruption laws and regulations. The FCPA and the U.K. Bribery Act 2010 prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to a "foreign official" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. The U.K. Bribery Act prohibits non-governmental "commercial" bribery and soliciting or accepting bribes. A violation of these laws or regulations could lead to administrative, civil and criminal fines and penalties, collateral consequences or remedial measures which may adversely affect our business, results of operations, financial condition and reputation. Our policies and procedures designed to ensure compliance with these regulations may not be sufficient and our directors, officers, employees, representatives, consultants, agents and business partners could engage in improper conduct for which we may be held responsible. Non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could further subject us to adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, changes in economic sanctions laws in the future could adversely impact our business and investments in our Equity Shares.

49. We may be subject to unionization, work stoppages or increased labor costs, which could adversely affect our business and results of operations.

The success of our operations depends on availability of labor and our ability to maintain a good relationship with our workforce, including our full-time employees, contractual temporary employees, contractors and sub-contractors. As on September 30, 2024, we and CTIPL had 965 full-time employees and 635 contractual temporary employees and we also had 39 contractors. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in manufacturing operations. Although we have not experienced any employee strikes or production stoppage or any legal proceedings with our employees and/or our labor union in the six months ended September 30, 2024 and the past three Fiscals, there can be no assurance that we will not experience any such disruption or proceedings in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. See also "***– Internal Risks – We currently manufacture our axles, transmissions and gears at our manufacturing plants in Pune, India. Any disruptions or stoppages at our manufacturing plants could adversely impact our operations, financial***

condition and results of operations" on page 32. Further, as of September 30, 2024, 119 of 1,600 employees of our Company are represented by an internal registered labor union, with whom we entered into a memorandum of settlement effective on August 16, 2024 till July 18, 2028. We are also subject to a number of stringent labor laws that protect the interests of workers, including the Industrial Disputes Act, 1947 that imposes financial obligations on employers upon retrenchment. Any labor unrest including labor disputes, strikes, lock-outs or industrial accidents experienced by us or delays in resolving such labor unrest, could directly or indirectly prevent or hinder our normal operating activities. Any such prolonged disruptions to our business could materially and adversely affect our results of operations and financial condition.

In the long term, wage increases in India may make us less competitive unless we are able to increase our efficiency and productivity proportionately and we can pass on such costs in the prices that we charge our customers. Any significant increase in our wage costs could have a material adverse effect on our business, results of operations and financial condition.

50. We regularly work with hazardous substances and activities in our operation which can be dangerous and could cause injuries to people or property.

The use of hazardous substances, such as propane gas in the processes of heat treatment and paint shop processing are an integral part of our production process and carries risks such as industrial accidents, bodily harm, fires, explosions, environmental hazards (such as the accidental release of pollutants or hazardous substances) and other unanticipated incidents, each of which may result in disruptions to our business, damage our manufacturing plants, cause environmental pollution or result in injury and death. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks. For further details in relation to our insurance coverage, see "***Our Business – Description of our Business and Operations – Insurance***" and "***Government and Other Approvals – Material Approvals obtained in relation to the business and operations of our Company – Storage of Petroleum***" on pages 237 and 398, respectively.

Although there have not been any instances of fatalities, disabilities or major injuries arising out of our production process in the six months ended September 30, 2024 and the last three Fiscals, these hazards can cause personal injury and loss of life or destruction of property and equipment as well as environmental damage. In addition, the loss or shutting down of our facilities resulting from any accident in our operations could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation filed on behalf of persons alleging injury predominantly due to occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, financial condition, results of operations and cash flows could be adversely affected.

51. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on a number of factors including our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including, among others, profits earned and available for distribution during the financial year, accumulated reserves including retained earnings, net profit earned during the financial year, cash flows, debt repayment schedules, fund requirement for contingencies and unforeseen events with financial implications, expansion/diversification of business, macro-economic environment, regulatory changes and technological changes. For details, see "***Dividend Policy***" on page 278. We paid dividend in the amount of nil, ₹220 million, ₹50 million and nil for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, respectively. The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. Accordingly, realization of a gain on Shareholders' investments may depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. Failure to pay dividends in the future may lead to a negative perception of our business among investors, which may have a material adverse effect on our business, results of operations, financial condition and the price of the Equity Shares.

52. We may be unable to renew our existing leases or secure new leases for our existing offices.

Our manufacturing plants located in Pune, Maharashtra, India are situated on leased land on long-term tenures for a period of 95 years. The R&D center of CTIPL, our Subsidiary as of the date of this Red Herring Prospectus, in

India is located on leased properties for a period of five years. While we renew these lease agreements and deeds periodically in the ordinary course of business and have not experienced any instances that our agreements and deeds cannot be renewed on favorable terms or at all, in the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations, our business, financial condition, cash flows and results of operations may be adversely affected. If we are unable to comply with these requirements, we may not be able to renew our lease in these industrial development corporation premises and have to relocate our operations which may not be cost-effective. See also "***– Internal Risks – We currently manufacture our axles, transmissions and gears at our manufacturing plants in Pune, India. Any disruptions or stoppages at our manufacturing plants could adversely impact our operations, financial condition and results of operations***" on page 32. In addition, any regulatory non-compliance by the landlords or adverse development relating to the landlords' title or ownership rights to such properties, including as a result of any non-compliance by the landlords, may entail significant disruptions to our operations and expose us to reputational risks, especially if we are forced to vacate leased spaces following any such developments. If our sales do not increase in line with our rent and costs, including setup and interior design costs, our profitability, cash flows and results of operations could be adversely affected.

53. We track certain operational metrics and non-GAAP measures for our operations. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.

Certain of our operational metrics are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies or the assumptions on which we rely. Such operational metrics include sales, order fulfilment numbers and after-sales service volumes. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across large populations. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition and results of operations would be adversely affected.

Further, these (and other non-GAAP metrics presented in this Red Herring Prospectus), such as EBIT, EBITDA, EBIT Margin, EBITDA Margin, return on capital employed, profit after tax margin, return on equity, net worth, RoNW, net asset value per Equity Share, net debt to EBITDA ratio, net working capital, net working capital turnover ratio and operational working capital, are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Indian accounting standard ("**Ind AS**"), Indian GAAP, international financial reporting standards ("**IFRS**") or United States generally accepted accounting principles ("**U.S. GAAP**"). Further, these metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the period/year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Although these non-GAAP metrics are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us, as these metrics are widely used measured to evaluate an entity's operating performance. In addition, these are not standardized terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate these measures differently from us, limiting its usefulness as a comparative measure.

54. We are entitled to certain tax benefits. These tax benefits are available for a definite period of time, which, on expiry or if withdrawn prematurely, may adversely affect our business, financial condition, results of operations, cash flows and prospects.

We are entitled to certain tax benefits under the preferential tax regime under section 115BAA of the Income-tax Act, 1961. For further details, see "***Statement of Possible Special Tax Benefits***" beginning on page 121. Our profitability may be affected in the future if any of such benefits are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to

comply with the requisite conditions to avail ourselves of each of these benefits. If any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, or if our interpretation of the applicable tax laws differ from that of tax authorities, our business, financial condition, results of operations, cash flows and prospects may be materially adversely affected. Any delay in receiving incentives from government bodies, or a reduction in, elimination of or unfavorable application of government incentives because of policy changes may adversely affect our financial condition and results of operations.

55. If we are classified as a passive foreign investment company for U.S. federal income tax purposes, U.S. investors in Equity Shares may be subject to adverse U.S. federal income tax consequences.

A non-U.S. corporation will be classified as a passive foreign investment company (a "**PFIC**") for any taxable year if either: (a) at least 75% of its gross income for such year is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, gross income generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources and passive income includes interest, dividends and other investment income, with certain exceptions (such as for gains from sale or exchange of inventory or similar property). The PFIC rules also contain a look-through rule whereby we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25 percent or more (by value) of the stock. Based on the current and anticipated composition of our income, assets (including their expected value) and operations, we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. Whether we are treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of our income and assets, as well as the value of our assets (which may fluctuate with our market capitalization), from time to time. Moreover, the application of the PFIC rules is unclear in certain respects. The U.S. Internal Revenue Service (the "**IRS**") or a court may disagree with our determinations, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules. Therefore, there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or for any future taxable year. If we are treated as a PFIC for any taxable year during which a U.S. investor held Equity Shares, such U.S. investor could be subject to adverse U.S. federal income tax consequences. See "***Certain U.S. Federal Income Tax Considerations***" on page 127.

56. The requirements of being a listed company may strain our resources which may have a material adverse impact on our operations.

The requirements of being a listed company may strain our resources. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Furthermore, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. If we fail to effectively implement sufficient disclosure controls and procedures and internal control procedures over financial reporting, we may be unable to successfully manage or accurately detect and report our future financial risks. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

EXTERNAL RISKS

57. 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 droughts, epidemics, pandemics, actual or threatened war, terrorist activities, political unrest, civil strife, and other geopolitical uncertainty as well as other *force majeure* events may impede our production and delivery efforts and adversely affect our sales results, which could materially and adversely affect our business, financial condition and results of operations.

For example, the conflict between Russia and Ukraine, the Israel-Gaza conflict or the ongoing tensions in the Red Sea, which are beyond our control, may lead to economic instability, including in India and globally, and may adversely affect our business, financial condition, cash flows and results of operations. The short and long-term implications of the conflict between Russia and Ukraine and the Israel-Hamas conflict are difficult to predict at this time. Although the Red Sea crisis has caused delays in our exports, we have not encountered any instances of disruption in power supply or processes, labor disputes, industrial accidents and other material operational risks in the past. We continue to monitor any adverse impact that the conflict between Russia and Ukraine, the subsequent institution of sanctions against Russia by the United States and several European and Asian countries, and the Israel-Hamas conflict may have on the global economy in general, on the businesses and operations of us, our lenders and other third parties with which we conduct business. To the extent any geopolitical tension may adversely affect our business, it may also have the effect of heightening many of the other risks described herein. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation; disruptions to our global technology infrastructure, including through cyberattack, ransom attack, or cyber-intrusion; adverse changes in international trade policies and relations; disruptions in global supply chains; significant volatility in commodity prices and supply of energy resources; political and social instability; changes in consumer or purchaser preferences and constraints; volatility, or disruption in the capital markets, any of which could negatively affect our business and financial condition. In the recent past, we have been witnessing increased geopolitical tensions globally. Any potential aftermaths of such tensions such as cross-border restrictions, sanctions, trade barriers, imposition of tariffs could adversely affect our supply chains and as a result our production schedules. While we have alternative supply sources and have not experienced any disruption to our business or supply due to geopolitical tension in the past, should the conflicts lead to global shortages of commodities that are related to our business, such as energy, we may face challenges in sourcing raw materials and parts, including experiencing significant procurement cost increases.

We cannot assure you that any backup systems will be adequate to protect us from the effects of such unexpected events. Any of the foregoing events may give rise to damage to our property, delays in production, breakdowns, system failures, technology platform failures or internet failures or other interruptions to our business operations, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our business, financial condition, and results of operations.

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

The regulatory and policy environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations and policies that could affect our products or the agricultural tractor and construction vehicle industry in general, which could lead to new and onerous compliance requirements, including requiring us to obtain approvals and licenses from the government and other regulatory bodies.

New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Furthermore, the way new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "**Labor Codes**") which consolidate, subsume and replace numerous existing central labor legislations. Different provisions of the Labor Codes may have varying effective dates. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. We are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our labor costs, thereby adversely impacting our results of operations, cash flows, business and financial performance. We are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For further details, please see "***Key Regulations and Policies in India***" on page 239.

Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Compliance with evolving regulations may lead to increased costs and demand significant management time and resources, and any failure to comply may adversely affect our business, results of operations, financial condition, cash flows and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of limited or no precedent may be time consuming and costly for us to resolve, and may impact the viability of our current business or restrict our ability to grow in the future.

Additionally, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

59. Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition.

For the purposes of disclosure in this Red Herring Prospectus, the SEBI ICDR Regulations requires us to prepare and present our Restated Consolidated Financial Information which are prepared and presented in conformity with Ind AS. This Restated Consolidated Financial Information has been derived from our audited financial statements for Fiscals 2024, 2023 and 2022. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our Restated Consolidated Financial Information to those of U.S. GAAP or IFRS or any other principles or to base it on any other standards. U.S. GAAP and IFRS, and accounting principles and auditing standards with which prospective investors may be familiar in other countries, differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company's Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, included in this Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly. In addition, differences in financial information reported by the Carraro Group due to varying accounting standards might influence investors' perceptions of us.

We have historically provided and intend to continue to provide our Promoters with select financial statements that have been prepared and presented in conformity with Ind AS. The Carraro Group has historically made publicly available select financial statements that have been prepared and presented in conformity with IFRS (the "**IFRS Financials**"). The Carraro Group has been sharing the aforesaid select financial information for ease of comparison with other global companies in the same industry and for reference purposes only. The IFRS Financials were not included in the Red Herring Prospectus, in compliance with applicable laws. Investors shall not rely on the IFRS Financials of the Carraro Group or any other related information for the purposes of investment in the Offer or for future investments in the Equity Shares of the Company.

60. Challenging economic conditions in India or globally could materially and adversely affect our business, financial condition, results of operations, and prospects.

We sell axles, transmissions and gears in India and outside India. Our business therefore depends on general macroeconomic and demographic factors in India and outside India which are beyond our control. Any significant change in general macroeconomic and demographic factors outside India may have an impact on our domestic sales, as some of our domestic customers sell their products outside India. In particular, our revenue and profitability are strongly correlated to user discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence. A worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending and lead to a decline in our sales and earnings. For instance, our revenue from the sale of products decreased by 4.56% to ₹ 9,027.87 million in the six months ended September 30, 2024 from ₹ 9,458.87 million in the six months ended September 30, 2023 due to (i) reduction of export sales by 8.70% to ₹ 3,150.68 million from ₹ 3,450.89 million and (ii) reduction of domestic sales by 2.53% to ₹ 5,955.68 million in the six months ended September 30, 2024 from ₹ 6,110.48 million in the six months ended September 30, 2023. The reduction of our export sales and domestic sales were due to weaker macro-economic conditions in some western destination markets such as the United States and Europe according to Markets and Markets (see page 135 in "***Industry Overview***"), which (i) directly reduced our direct export sales and indirect

export sales through Carraro Drive Tech Italia S.p.A. and (ii) indirectly reduced our domestic sales of products due to our domestic customers' reduced export sales. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operation – Our Results of Operations – Six months ended September 30, 2024 Compared to Six months ended September 30, 2023 – Income***" on page 365. In addition, any tightening of the credit markets and credit conditions in India may decrease the availability of agricultural tractors and construction vehicles loans and adversely impact our customers' sales of agricultural tractors and construction vehicles. In particular, if banks and non-bank financial companies apply higher credit standards in respect of loans provided by them generally or agricultural tractors and construction vehicles loans, or if there is a decline in the overall availability of credit in the lending market, the ability of consumers to purchase agricultural tractors and construction vehicles could be adversely impacted, which could have a material adverse effect on our customers' sales. Any decline in our customers' sales could have an adverse impact on our sales and margins, business and results of operations.

As we are incorporated in India and derive a substantial portion of our revenue from operations in India and all of our assets are located in India, we are particularly vulnerable to factors that may adversely affect the Indian economy. These factors may include: the macroeconomic climate, including any increase in Indian interest rates or inflation; exchange rate fluctuations; scarcity of credit or other financing in India; prevailing income conditions among Indian consumers and Indian companies; epidemic, pandemic or any other public health incidents in India or in countries in the region or globally; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies; political instability, terrorism or military conflict in India or in countries in the region or globally; occurrence of natural or man-made disasters; other significant regulatory or economic developments in or affecting India or its consumption sector; international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws; protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements; logistical and communications challenges; downgrading of India's sovereign debt rating by rating agencies; changes in political environment on account of upcoming elections; difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty in enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares. During future periods of economic downturns, we may experience a decline in the demand for our products, which could harm our business, prospects and operating results. Accordingly, any events that have a negative effect on the Indian economy or on foreign economies or that negatively affect customer confidence in the economy, including disruptions in credit and stock markets, and actual or perceived economic slowdowns, may harm our business, prospects and operating results.

61. Any downgrading of India's sovereign debt rating by a domestic or an international rating agency could adversely affect our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. Our borrowing costs and our access to the debt capital markets also depend on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, the terms on which we are able to raise additional finances or refinance any existing indebtedness. This could have an adverse effect on our business growth and financial performance, ability to obtain financing and the price of the Equity Shares.

62. Foreign investors are subject to investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under foreign exchange regulations currently in force in India, the transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI and other applicable laws. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior approval of the relevant regulatory authority will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the 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 RBI and the concerned ministries and/or departments are responsible

for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

In accordance with the provisions of the Consolidated FDI Policy and FEMA Rules, our Company is a foreign owned and controlled company. As a foreign owned and controlled company, our Company is subject to certain additional requirements under the Consolidated FDI Policy and other Indian foreign investment laws.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the government approval route. 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 and/or purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the Foreign Exchange Management Act, 1999 Non-debt Instruments Rules. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or conditions or at all. For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 446. Our ability to raise foreign capital through foreign direct investment is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operations and cash flows.

63. Investors may have difficulty enforcing foreign judgments against us or our management.

Our Company is a limited liability company incorporated under the laws of India. All of our Company's assets are located in India. As a result, you may be unable to:

- effect service of process in jurisdictions outside of India, including in the U.S., upon us and other related persons or entities;
- enforce in the Indian courts, judgments obtained in courts of jurisdictions outside of India against us and other related persons or entities, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India; and
- enforce judgements obtained in U.S. courts against us and other related persons or entities, including judgments predicated upon the civil liability provisions of the federal securities laws of the U.S.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). While India is not a party to the Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Criminal matters, India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the U.S., cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India.

The party in whose favor a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damage as excessive or inconsistent with the public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period, or at all, or that conditions of

such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

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

Most of our current operations and market is in India. The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly the emerging Asian market countries. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to various factors. A loss of 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 could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of our Equity Shares. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

The global credit and equity markets have from time to time, experienced substantial dislocations, liquidity disruptions and market corrections. In response to such developments, legislators and financial regulators in the U.S. and other jurisdictions, including India, may implement a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of our Equity Shares.

65. If inflation rises in India, increased costs may result in a decline in profits.

Inflation rates could be volatile and we may continue to face high inflation in the future, similar to what India had witnessed in the past. Increasing inflation in India can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business, which may adversely affect our business and financial condition. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to customers, whether entirely or in part, and the same may adversely affect our business and financial condition. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. While the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

66. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measure ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume and average delivery, and on securities which witness abnormal price rise not commensurate with the company's financial health and fundamentals such as earnings, book value, fixed assets, net worth, price/earnings multiple, market capitalization. These measures are in place to enhance the integrity of the market and safeguard the interest of investors.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes or a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned events or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on

gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

Risks Related to the Offer

67. The Offer Price of our Equity Shares may not be indicative of the trading price of our Equity Shares upon listing on the Stock Exchanges subsequent to the Offer and, as a result, you may lose a significant part or all of your investment.

The Offer Price of our Equity Shares will be determined by our Company in consultation with the BRLMs, and through the Book Building Process and may not be comparable to the market price, market capitalization and price-to-earnings ratios of our peers and would depend on the various factors included under "***Basis for Offer Price***" beginning on page 108.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company in consultation with the BRLMs would not be based on a benchmark with our industry peers. The relevant financial parameters on the basis of which Price Band will be determined, have been disclosed under "***Basis for Offer Price***" on page 108 and shall be disclosed in the price band advertisement. For details of comparison with listed peers, see "***Basis for Offer Price***" on page 108.

Prior to this Offer, there has been no public trading market for our Equity Shares. It is possible that, after this Offer, an active trading market will not develop or continue. Listing and quotation do not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. If an active trading market does not develop, you may have difficulty selling any of our Equity Shares that you buy.

68. Our Promoters will be able to exercise substantial control over our Company and may have interests that are different from those of our other Shareholders.

As on the date of this Red Herring Prospectus, one of our Corporate Promoters, Carraro International S.E. holds 99.99% of our issued, subscribed and paid-up Equity Share capital. As a result, Carraro International S.E., will be able to exercise a significant level of control over all matters requiring shareholder approval, including the election of directors, amendment of our constitutional documents and approval of significant corporate transactions and any other approvals which require a majority vote of shareholders eligible to vote. This control could have the effect of delaying or preventing a change of control of our Company or changes in management and will make the approval of certain transactions difficult or impossible without the support of such controlling shareholder. The interests of our Promoters could conflict with our interests or the interests of our other Shareholders. In particular, our Promoters are involved in a number of ventures that are in the same line of business as our Company, see "**– *Our Promoters and certain of our Directors may be involved in ventures which are engaged in the same line of activity or business as that of our Company and this may result in conflicts of interest with us. Our Directors, Key Managerial Personnel and Senior Management may have interests in our Company in addition to their remuneration and reimbursement of expenses***" on page 31 above. In addition, we depend on the Carraro Group for our operations and our business could be adversely affected if the Carraro Group prioritizes other interests over ours. See "**– *We depend partially on other entities in the Carraro Group for our operations, such as the license of the Carraro brand, customer sourcing, procurement, R&D and general support of our operations. For Fiscal 2024, we derived 33.91% of our total revenue from the Carraro Group and have purchased 4.91% of our raw materials from the Carraro Group. The Carraro Group was our largest customer in the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022. Any disruption in this relationship could have a material adverse impact on our operations***" on page 27 above. While the actions carried out by our Company post-listing will be subject to Board and Shareholder approval, as required under the Companies Act, 2013, and the SEBI Listing Regulations, any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

69. Our Company will not receive any proceeds from the Offer. Our Promotor Selling Shareholder will receive the proceeds from the Offer.

The Offer consists of only an Offer for Sale of [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹12,500.00 million by our Promoter Selling Shareholder. Our Promoter Selling Shareholder, *i.e.*, Carraro International S.E., shall be entitled to the entire proceeds from the Offer (net of its portion of the Offer-related expenses) and we will not receive any proceeds from the Offer. None of our Directors or Key Managerial

Personnel and Senior Management will receive, in whole or in part, any proceeds from the Offer For details, see "***The Offer***", "***Capital Structure***" and "***Objects of the Offer***" on pages 75, 93 and 106, respectively.

70. Our Equity Shares have never been publicly traded and after this Offer, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, this Offer Price may not be indicative of the market price of our Equity Shares after this Offer.

Prior to this Offer, there has been no public market for our Equity Shares. We cannot assure you that an active trading market for our Equity Shares will develop or be sustained after this Offer. The Offer Price of our Equity Shares is proposed to be determined by our Company, in consultation with the BRLMs, through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. These will be based on numerous factors, including factors as described under "***Basis for Offer Price***" on page 108. and may not be indicative of the market price for our Equity Shares after the Offer. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the stock exchanges and securities markets elsewhere in the world. These broad market fluctuations and industry factors may materially reduce the market price of our Equity Shares, regardless of our Company's performance. In addition, following the expiry of the six-month locked-in period on certain portions of the pre-Offer Equity Share capital, the pre-Offer shareholders may sell their shareholding in our Company, depending on market conditions and their investment horizon. Any perception by investors that such sales might occur could additionally affect the trading price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to sell your Equity Shares at or above the Offer Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

71. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on our Equity Shares.

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Further, securities transaction tax ("**STT**") shall be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Non-Residents can also claim the benefits under any applicable double taxation avoidance agreement in respect of their capital gains income after providing the necessary documents as prescribed under the statute.

As a result, subject to any relief available under an applicable tax treaty or under the laws of their own jurisdictions, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

If the amendments proposed in the Finance (No. 2) Bill, 2024 are enacted, any gains realized on the sale of listed equity shares, which are held for a period exceeding twelve months will subject to long term capital gains tax in India at the rate of 12.5%. Further, long-term capital gains arising from sale of listed equity shares on which STT has been paid on transfer and at the time of acquisition (unless such acquisition was through a notified transaction) will be exempt up to ₹ 125,000. Similarly, any gain realized on the sale of listed equity shares held for a period of twelve months or less and on which STT has been paid on transfer will be subject to short-term capital gains tax at a rate of 20%. Short-term capital gains from the sale of listed equity shares off-market will be taxed at applicable rates. However, since the Finance (No.2) Bill, 2024 has not yet been enacted into law, the Bidders are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares.

Additionally, *vide* Finance Act, 2020, an Indian company declaring, distributing or paying dividend after March 31, 2020 is not required to pay dividend distribution tax on such dividends, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including payment of dividends.

The Finance Act, 2019 introduced new provisions under the Indian Stamp Act, 1899, which provides that in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration

amount.

72. Qualified institutional buyers ("QIBs") and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.

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

73. We cannot assure that prospective investors will be able to sell immediately on a Stock Exchange any of our Equity Shares they purchase in the Offer.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

74. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced. In addition, you may suffer continued risk of dilution if shareholders pass special resolutions for preferential issues or take any other similar actions.

75. Any future issuance of Equity Shares or securities linked to Equity Shares may dilute your shareholding, and sale of our Equity Shares by our Promoter Selling Shareholder may also adversely affect the trading price of our Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering, may dilute investors' shareholdings in us. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of our Equity Shares. Any future issuances could also dilute the value of your investment in our Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

Any sales (or pledge or encumbrance) of substantial amounts of our Equity Shares in the public market after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and

materially impair our future ability to raise capital through offerings of our Equity Shares.

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

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

77. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer	
The Offer consists of:	
Offer for Sale[(1)(2)]	[●] Equity Shares of face value of ₹10 each aggregating up to ₹12,500.00 million
Of which:	
A. QIB Portion[(3) (4)]	Not more than [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million
Of which:	
Anchor Investor Portion[(4)]	Up to [●] Equity Shares of face value of ₹10 each
Net QIB (assuming the Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹10 each
Of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares of face value of ₹10 each
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹10 each
B. Non-Institutional Portion[(5)]	Not less than [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size between ₹ 0.20 million to ₹ 1.00 million	[●] Equity Shares of face value of ₹10 each
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares of face value of ₹10 each
C. Retail Portion	Not less than [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Red Herring Prospectus)	56,851,538 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Offer	56,851,538 Equity Shares of face value of ₹10 each
Use of proceeds of the Offer	Our Company will not receive any portion of the proceeds from the Offer. For further details, see "***Objects of the Offer***" beginning on page 106.

(1) The Offer has been authorized by a resolution of our Board dated August 19, 2024. Further, the Promoter Selling Shareholder has been authorised to participate in the Offer through a resolution passed by its board of directors dated July 24, 2024 and has consented to participate in the Offer pursuant to its consent letter dated December 16, 2024 . Our Board has taken on record such consent of the Promoter Selling Shareholder by a resolution dated August 19, 2024, read with the resolution dated December 16, 2024.

*(2) The Promoter Selling Shareholder confirms that its Offered Shares have been held for a period of at least one year prior to the date of filing of this Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations. For further details, see "**Capital Structure**" beginning on page 93. The Promoter Selling Shareholder has confirmed and authorized its participation in the Offer for Sale, as stated below:*

S. No.	Promoter Selling Shareholder	Aggregate amount of Offer for Sale	Date of consent letter	Date of board resolution
1.	Carraro International S.E.	Up to ₹12,500.00 million	December 16, 2024	July 24, 2024

*(3) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our, in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "**Offer Structure**" beginning on page 423.*

(4) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in consultation with the BRLMs in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for allocation to 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 balance Equity Shares in the Anchor Investor Portion 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 Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, 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, see "**Offer Procedure**" beginning on page 426.*

(5) Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion.

Allocation to all categories of Bidders, other than Anchor Investors, if any, and Retail Individual Investors and Non-Institutional Investors, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Investor and Non-Institutional Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see, "***Offer Procedure***" beginning on page 426.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Consolidated Financial Information. The summary financial information as at and for the six months ended September 30, 2024 and September 30, 2023 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 presented below should be read in conjunction with "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 279 and 350, respectively.

[*Remainder of this page intentionally kept blank*]

Summary of restated statement of assets and liabilities:

(₹ in million)

Particulars	As at September 30,		As at March 31,		
	2024	2023	2024	2023	2022
ASSETS					
1) Non-current assets					
a) Property, plant and equipment	3,055.44	3,062.67	3,117.20	2,874.74	2,598.80
b) Right-of-use assets	271.82	143.49	137.37	149.68	160.25
c) Capital work-in-progress	3.09	-	-	90.57	101.23
d) Intangible assets	273.90	33.66	289.69	41.45	54.06
e) Financial assets					
i) Other non-current financial assets	50.15	46.17	47.72	38.69	26.99
f) Deferred tax assets (net)	36.11	51.49	34.45	11.70	6.01
g) Non current tax assets	324.66	309.44	319.68	313.79	292.11
h) Other non-current assets	132.91	14.94	73.35	38.61	138.04
Total non-current assets	4,148.08	3,661.85	4,019.46	3,559.23	3,377.49
2) Current assets					
a) Inventories	2,909.91	2,718.29	2,864.48	2,553.00	2,366.41
b) Financial assets					
i) Investments	-	60.30	-	-	-
ii) Trade receivables	2,556.19	3,279.93	2,427.16	3,033.89	2,570.41
iii) Cash and cash equivalents	970.03	592.18	1,035.96	1,049.89	1,039.64
iv) Other current financial assets	95.47	-	-	-	-
c) Other current assets	254.44	381.30	381.82	527.91	770.43
Total current assets	**6,786.04**	**7,032.00**	**6,709.42**	**7,164.69**	**6,746.89**
TOTAL ASSETS	**10,934.12**	**10,693.85**	**10,728.88**	**10,723.92**	**10,124.38**

(₹ in million)

Particulars	As at September 30,		As at March 31,		
	2024	2023	2024	2023	2022
EQUITY & LIABILITIES					
Equity					
a) Equity share capital	568.52	568.52	568.52	568.52	568.52
b) Other equity	3,625.90	3,061.10	3,129.66	2,805.24	2,356.40
Total equity attributable to the owners of the Company	**4,194.42**	**3,629.62**	**3,698.18**	**3,373.76**	**2,924.92**
Non controlling interest	0.96	1.70	0.88	1.57	1.38
Total equity	**4,195.38**	**3,631.32**	**3,699.06**	**3,375.33**	**2,926.30**
Liabilities					
1) Non-current liabilities					
a) Financial liabilities					
i) Borrowings	1,510.11	1,091.27	1,223.20	1,308.15	857.24
ii) Lease liabilities	142.66	18.72	12.96	24.24	32.90
b) Provisions	475.56	433.49	473.84	462.99	391.39
c) Deferred tax liabilities (net)	-	-	-	-	7.57
Total non-current liabilities	**2,128.33**	**1,543.48**	**1,710.00**	**1,795.38**	**1,289.10**
2) Current liabilities					
a) Financial liabilities					
i) Borrowings	447.66	876.66	902.26	575.15	924.14
ii) Lease liabilities	17.33	10.60	11.28	10.03	8.48
ii) Trade payables					
(a) Total outstanding dues of micro and small enterprises	405.67	478.43	492.99	589.31	540.74
(b) Total outstanding dues of creditors other than micro and small enterprises	3,159.69	3,408.26	3,161.95	3,691.60	3,745.87
iii) Other financial liabilities	54.75	311.28	293.92	276.09	366.22
b) Other current liabilities	114.02	86.05	136.69	167.28	122.34
c) Provisions	304.84	295.85	320.45	215.85	191.34
d) Current tax liabilities (net)	106.45	51.92	0.27	27.90	9.85

Particulars	As at September 30,		As at March 31,		
	2024	2023	2024	2023	2022
Total current liabilities	**4,610.41**	**5,519.05**	**5,319.81**	**5,553.21**	**5,908.98**
TOTAL EQUITY AND LIABILITIES	**10,934.12**	**10,693.85**	**10,728.88**	**10,723.92**	**10,124.38**

Summary of restated statement of profit and loss:

(₹ in million)

Particulars	For the six months ended September 30,		For the year ended March 31,		
	2024	2023	2024	2023	2022
Income					
I. Revenue from operations	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
II. Other income	81.20	101.56	175.82	201.53	225.10
III. Total income (I+II)	**9,227.39**	**9,711.83**	**18,065.47**	**17,332.98**	**15,200.53**
Expenses					
(a) Cost of materials consumed	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
(b) Changes in inventories of stock-in-trade	27.33	(159.53)	(240.94)	(147.80)	(187.77)
(c) Employee benefits expense	753.02	722.49	1,434.72	1,304.60	1,173.26
(d) Finance costs	118.94	111.32	224.85	197.87	162.23
(e) Depreciation and amortisation expense	222.85	210.49	431.38	394.36	359.06
(f) Other expenses	790.33	1,127.76	1,999.32	2,022.99	1,977.80
IV. Total expenses	**8,558.22**	**9,372.19**	**17,221.75**	**16,677.10**	**14,893.19**
V. Restated Profit before tax (III-IV)	**669.17**	**339.64**	**843.72**	**655.88**	**307.34**
Tax expenses					
(a) Current tax	173.14	132.28	243.57	189.41	92.01
(b) Deferred tax (credit)	(1.31)	(42.01)	(25.48)	(18.12)	(8.93)
VI. Total tax expense	**171.83**	**90.27**	**218.09**	**171.29**	**83.08**
VII. Restated Profit for the period/year(V-VI)	**497.34**	**249.37**	**625.63**	**484.59**	**224.26**
Attributable to					
- Owners of the Company	497.26	249.25	625.43	484.42	224.09
- Non-controlling interest	0.08	0.12	0.20	0.17	0.17
VIII. Restated Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
i) Remeasurement of net defined benefit liability	(1.37)	8.84	10.83	19.29	(36.89)
ii) Income tax relating to above	0.35	(2.22)	(2.73)	(4.86)	9.28
Restated Other comprehensive income, net of tax	**(1.02)**	**6.62**	**8.10**	**14.43**	**(27.61)**
Attributable to					
Owners of the Company	(1.02)	6.61	8.09	14.42	(27.61)
Non-controlling interest	0.00	0.01	0.01	0.01	0.00
Restated Total comprehensive income (VII+VIII)	**496.32**	**255.99**	**633.73**	**499.02**	**196.65**
Attributable to					
Owners of the Company	496.24	255.86	633.52	498.84	196.48
Non-controlling interest	0.08	0.13	0.21	0.18	0.17

Particulars	For the six months ended September 30,		For the year ended March 31,		
	2024	2023	2024	2023	2022
Restated Earning per share of face value of ₹ 10/- each					
Basic (in ₹)	8.75	4.39	11.00	8.52	3.94
Diluted (in ₹)	8.75	4.39	11.00	8.52	3.94

Summary of restated statement of cash flows:

(₹ in million)

Particulars	For the six months ended September 30,		For the year ended March 31,		
	2024	2023	2024	2023	2022
Cash flows from operating activities					
Restated Profit before tax	669.17	339.64	843.72	655.88	307.34
Adjustments for:					
Depreciation and amortisation expense	222.85	210.49	431.38	394.36	359.06
Allowance for doubtful debts	4.84	4.53	0.38	-	0.99
Sundry balances written back	-	-	(8.78)	(0.87)	-
Liabilities no longer required written back	-	-	-	(1.87)	(4.50)
Bad debts written-off	-	-	-	-	1.75
Finance costs	110.51	111.32	224.85	197.87	162.23
(Gain) on sale of Property. plant and equipments	(1.28)	(3.06)	(3.10)	(0.22)	(5.38)
Fair value gain on investments	(0.78)	(2.26)	(4.59)	(12.55)	-
Unrealised Exchange (gain)/ loss	65.93	(9.42)	(36.95)	34.66	19.40
Interest income	(0.81)	(2.13)	(3.28)	(2.23)	(1.80)
Operating cashflows before working capital changes	**1,070.43**	**649.11**	**1,443.63**	**1,265.03**	**839.09**
Movements in working capital:					
(Increase)/Decrease in Trade Receivables	(132.66)	(279.27)	636.49	(485.59)	213.47
(Increase)/Decrease in Inventories	(45.43)	(165.29)	(311.48)	(186.59)	(494.32)
(Increase)/Decrease in Other Non Current Assets	1.43	7.45	8.15	6.61	(23.51)
(Increase)/Decrease in Other Non Current Financials Assets	(2.19)	(7.25)	(8.56)	(11.26)	(3.84)
(Increase)/Decrease in Other Current Financial Assets	(95.47)	-	-	-	-
Increase/(Decrease) in Other Current Assets	127.38	146.61	146.09	242.52	25.05
Increase/(Decrease) in Trade Payables	(123.39)	(348.55)	(623.71)	4.06	435.37
Increase/(Decrease) in financial liabilities	(252.97)	13.61	13.08	0.07	-
Increase/(Decrease) in Other Liabilities	(22.67)	(81.23)	(30.59)	44.94	(3.60)
Increase/(Decrease) in Long Term Provisions	0.35	(20.66)	21.68	90.89	43.68
Increase/(Decrease) in Short Term Provisions	(15.61)	80.00	104.60	24.51	20.70
Cash generated from operations	**509.20**	**(5.47)**	**1,399.38**	**995.19**	**1,052.08**
Income taxes paid	(71.94)	(103.76)	(277.50)	(193.04)	(93.77)
Net cash generated from operating activities (A)	**437.26**	**(109.23)**	**1,121.88**	**802.15**	**958.31**
Cash flows from investing activities					
(Purchase) of Property, plant and equipment (including capital advances and capital creditors)	(192.89)	(254.78)	(590.25)	(627.37)	(596.18)
(Purchase) of Intangible assets	(0.00)	(1.29)	(273.24)	(4.97)	(7.10)
Sale of property, plant and equipment	7.43	3.06	9.25	0.35	7.42
Purchase of mutual fund investment	(239.99)	(1,222.74)	(1,539.94)	(5,704.72)	-
Sale of mutual fund investment	240.78	1,164.71	1,544.53	5,717.26	-
Interest received	-	1.94	2.90	1.87	0.36
Redemption/(Investment) in bank deposits - Net	0.57	(0.04)	(0.09)	(0.08)	1.02
Net cash used in investing activities (B)	**(184.10)**	**(309.14)**	**(846.84)**	**(617.65)**	**(594.48)**

Particulars	For the six months ended September 30,		For the year ended March 31,		
	2024	2023	2024	2023	2022
Cash flows from financing activities					
Payment of lease liabilities	(11.81)	(6.13)	(12.21)	(11.56)	(10.19)
Finance costs paid	(106.25)	(110.14)	(222.67)	(195.05)	(158.89)
Dividend paid	-	-	(309.10)	(50.00)	-
Proceeds from borrowings	525.41	-	323.07	868.00	503.55
Repayment of borrowings	(208.46)	(225.26)	(417.09)	(464.46)	(340.42)
Short-term borrowings availed (net)	(484.64)	309.89	336.18	(301.62)	91.20
Net cash used/generated from in financing activities (C)	**(285.75)**	**(31.64)**	**(301.82)**	**(154.69)**	**85.26**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(32.59)**	**(450.02)**	**(26.78)**	**29.81**	**449.08**
Cash and cash equivalents at the beginning of the period/year	1,035.96	1,049.89	1,049.89	1,039.64	594.90
Effect of exchange rate changes on cash and cash equivalents	(33.34)	(7.69)	12.85	(19.56)	(4.34)
Cash and cash equivalents at the end of the period/year	**970.03**	**592.18**	**1,035.96**	**1,049.89**	**1,039.64**
Reconciliation of cash and cash equivalents as per the cash flow Statement					
Cash and cash equivalents (Refer note 14)	970.03	592.18	1,035.96	1,049.89	1,039.64
Balance as per statement of cash flows	**970.03**	**592.18**	**1,035.96**	**1,049.89**	**1,039.64**

GENERAL INFORMATION

Registered Office of our Company

Carraro India Limited
B2/ 2 MIDC
Ranjangaon
Pune 412 220
Maharashtra, India

For details in relation to changes in the registered office address of our Company, see "***History and Certain Corporate Matters – Changes in the registered office of our Company***" on page 246.

CIN: U52609PN1997PLC132629

Company Registration Number: 132629

Address of the Registrar of Companies

Our Company is registered with the RoC which is located at the following address:

Registrar of Companies, Maharashtra at Pune

PCNTDA Green Building
Block A, 1st & 2nd Floor
Near Akurdi Railway Station
Akurdi, Pune 411 044
Maharashtra, India

Board of Directors

Details regarding our Board as on the date of this Red Herring Prospectus are set forth below:

Name and Designation	DIN	Address
Ettore Francesco Sequi *Chairman and Independent Director*	10734894	Via dei Gracchi 6 int. 11, Rome, Italy, 00192
Tomaso Carraro *Vice Chairman and Non-Executive Director*	00592312	Vicolo Dei Dotto 1, Padua, Italy 35139
Balaji Gopalan *Managing Director*	07108093	C 2/5 (16), Kumar Palmsprings, NIBM, Corinthin Club Road, Undri, Pune 411 060, Maharashtra, India
Davide Grossi *Whole-time Director*	10252992	Apartment #2, Miraya, Plot #1, Serial #211/2D, Lane 7B, Kalyani Nagar, Pune 411 006, Maharashtra, India
Sudhendra Mannikar *Whole-time Director and Chief Operating Officer*	07483321	Flat No. 711, Iris-1, Clover Acropolis, Viman Nagar, Pune City, Dukirkline, Pune 411 014, Maharashtra, India
Enrico Gomiero *Non-Executive Director*	00588074	Via E. Degli Scrovegni, 7, Padua, Italy 35131
Andrea Conchetto *Non-Executive Director*	10669692	P.le Giuseppe Giusti 8, Vicenza, Italy, 36100
Uma Mandavgane *Independent Director*	03156224	504, Sai Sharan, 5th Floor, N.C. Kelkar Road, Dadar West, Mumbai 400 028, Maharashtra, India
Kishore Saletore *Independent Director*	01705850	One North, Tower A 1902, Zeon S.No. 133 (P), 136 (P), 137 (P), Hadapsar (n.v), Pune 411 028, Maharashtra, India

For brief profiles and further details of our Board of Directors, see "***Our Management - Brief profiles of our Directors***" beginning on page 255.

Company Secretary and Compliance Officer

Nakul Shivaji Patil
B2/ 2 MIDC
Ranjangaon
Pune 412 220
Maharashtra, India
Tel: +91 2138 662666
E-mail: company_secretary@carraroindia.com

Statutory Auditors to our Company

Deloitte Haskins & Sells LLP
One International Centre, Tower 3
32nd Floor, Elphinstone Mills Compound
Senapati Bapat Marg, Elphinstone (West)
Mumbai – 400 013
Maharashtra, India
Tel: +91 20 6624 4706
E-mail: jparmar@deloitte.com
Peer review number: 017468
Firm registration number: 117366W/ W-100018

Changes in auditors

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Red Herring Prospectus.

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House, P.B. Marg
Worli, Mumbai 400 025
Maharashtra, India
Tel: + 91 22 4325 2183
E-mail: carraro.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor grievance e-mail:
investor.grievance@axiscap.in
Contact person: Pavan Naik
SEBI registration no.: INM000012029

BNP Paribas
1 North Avenue, Maker Maxity
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India
Tel: +91 22 3370 4000
E-mail: DL.CarraroIndia.IPO@bnpparibas.com
Website: www.bnpparibas.co.in
Investor grievance e-mail:
indiainvestors.care@asia.bnpparibas.com
Contact person: Nishanth Kukkadapu
SEBI registration no.: INM000011534

Nuvama Wealth Management Limited
801-804 Wing A Building No 3
Inspire BKC G Block
Bandra Kurla Complex
Bandra East, Mumbai 400 051
Maharashtra, India
Tel: + 91 22 4009 4400
E-mail: carraro.ipo@nuvama.com
Website: www.nuvama.com
Investor grievance e-mail:
customerservice.mb@nuvama.com
Contact person: Manish Tejwani
SEBI registration no.: INM000013004

Statement of *inter-se* allocation of responsibilities amongst the Book Running Lead Managers

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, this Red Herring Prospectus, the Prospectus, abridged prospectus and application form. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	All BRLMs	Axis
2.	Drafting and approval of all statutory advertisements	All BRLMs	Axis
3.	Drafting and approval of all publicity material other than statutory advertisements, including corporate advertising, brochures, media monitoring, etc. and filing of media compliance report	All BRLMs	BNP
4.	Appointment of intermediaries, banker(s) to the Offer, Sponsor Bank, Share Escrow Agent, Syndicate Member etc., advertising agency, registrar, printer (including co-ordinating all agreements to be entered with such parties)	All BRLMs	Axis
5.	Preparation of road show presentation and frequently asked questions	All BRLMs	BNP/ Nuvama
6.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy and preparation of publicity budget; • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	All BRLMs	BNP/ Nuvama
7.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Marketing strategy and preparation of publicity budget; • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	All BRLMs	Axis
8.	Conduct non-institutional and retail marketing of the offer, which will cover, inter alia: • Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Follow - up on distribution of publicity and offer material including forms, the Prospectus and deciding on the quantum of Issue material; and • Finalising centers for holding conferences for brokers etc. and • Finalising collection centres	All BRLMs	Nuvama
9.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, intimation to Stock Exchange for anchor portion.	All BRLMs	Nuvama
10.	Managing the book and finalization of pricing in consultation with the Company and/or the Selling Shareholders	All BRLMs	BNP
11.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and banks, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to anchor investors, follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, coordination for unblock of funds by SCSBs, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, bankers to the Offer,	All BRLMs	Nuvama

Sr. No.	Activity	Responsibility	Co-ordination
	SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transaction tax ("**STT**") on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and stock exchanges for submission of all post-offer reports including final post-offer report to SEBI.		

Legal counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 4933 5555

Registrar to the Offer

Link Intime India Private Limited
C-101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 81081 14949
E-mail: carraro.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: carraro.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

Syndicate Member

Nuvama Wealth Management Limited (in Syndicate Member capacity)
801 - 804, Wing A, Building No 3 Inspire BKC
G Block Bandra Kurla Complex
Bandra East
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: carraro.ipo@nuvama.com
Website: www.nuvama.com
Contact person: Prakash Boricha

Bankers to the Offer

Escrow Collection Bank and Refund Bank

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (East)
Mumbai – 400 097
Maharashtra, India
Tel: 022 - 66056603
E-mail: cmsipo@kotak.com
Website: www.kotak.com
Contact person: Siddhesh Shirodkar

Public Offer Account Bank

Axis Bank Limited
Axis House, 6th Floor, C-2
Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai – 400 025
Maharashtra, India
Tel: 022 24253672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact person: Vishal M. Lade

Sponsor Banks

Axis Bank Limited
Axis House, 6th Floor, C-2
Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai – 400 025
Maharashtra, India
Tel: 022 24253672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact person: Vishal M. Lade

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (East)
Mumbai – 400 097
Maharashtra, India
Tel: 022 66056603
E-mail: cmsip@kotak.com
Website: www.kotak.com
Contact person: Siddhesh Shirodhkar

Bankers to our Company

Axis Bank Limited
214-215 City Mall, Second Floor
Plot No. 1, S. No. 132
Ganesh Khind, University Road
Pune – 411 007
Maharashtra, India
Tel: 020 66223700
Contact person: Chetali Sharma
E-mail: chetali.sharma@axisbank.com

Export-Import Bank of India
No. 401, 401(A), 401(B)
& 402, 402(A), 402(B)
4th Floor, Signature Building
Bhandarkar Road, Shivajinagar
Pune – 411 004
Maharashtra, India
Tel: +91 20-26403100
Contact person: Chitra Raste
E-mail: pro@eximbankindia.in

HDFC Bank Limited
HDFC Bank House
Marathon IT Park, 5th Floor
21/6 Bund Garden Road
Pune – 411 001
Maharashtra, India
Tel: 9607958227
Contact person: Pranay Sakhare
E-mail: pranay.sakhare@hdfcbank.com

ICICI Bank Limited
3rd Floor, 362, Satguru House
Next to Tanishq Showroom
Bund Garden Road, Pune – 411 001
Maharashtra, India
Tel: 7738000944
Contact Person: Ashok Kumar
E-mail: ash.k@icicibank.com

The Federal Bank Limited
Kubera Chambers, Ground Floor
JM Road, Opposite Sancheti Hospital
Shivaji Nagar, Pune – 411 003
Maharashtra, India
Tel: +91 58640360
Contact person: Ashish Mathew
E-mail: ashishmp@federalbank.co.in

Kotak Mahindra Bank Limited
4th Floor, Nyati Unitree, Nagar Road
Yerwada, Pune – 411 006
Maharashtra, India
Tel: 020 67443092
Contact person: Shalkee Patil
E-mail: shalkee.patil@kotak.com

IDBI Bank Limited
Specialised Corporate Branch
Pride House, Ground Floor
University Road, Ganeshkhind,
Shivajinagar, Pune – 411 016
Maharashtra, India
Tel: 020 25557234
Contact person: Shri. Nilesh Bharati
E-mail: nilesh.bharati@idbi.co.in

Designated Intermediaries

Self Certified Syndicate Banks

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

Self Certified Syndicate Banks and mobile applications enabled for Unified Payment Interface Mechanism

In accordance with 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 and SEBI ICDR Master Circular, UPI Bidders may only apply through the SCSBs and mobile applications whose names appear on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, and updated from time to time.

Syndicate Self Certified Syndicate Banks Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI 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 and is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders could submit ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, *i.e.*, through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/Rtadp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Grading of the Offer

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

Monitoring Agency

As the Offer is through an Offer for Sale of Equity Shares, our Company is not required to appoint a monitoring agency for this Offer.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions in connection with this Red Herring Prospectus:

Our Company has received written consent dated December 16, 2024 from Deloitte Haskins & Sells LLP to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated December 2, 2024 on our Restated Consolidated Financial Information; and (ii) report dated December 2, 2024 on the statement of possible special tax benefits available to our Company, our Shareholders included in this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

In addition, our Company has received written consent dated December 5, 2024, from J.C. Bhalla & Co., Chartered Accountants, bearing firm registration number 001111N, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and an "expert", as defined under Section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.

Our Company has received written consent dated December 5, 2024 from Avinash Pawar, Chartered Engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of certifications issued by him in his capacity as an independent chartered engineer to our Company.

The above-mentioned consents have not been withdrawn as on the date of this Red Herring Prospectus.

Appraising Entity

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholder, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of the Draft Red Herring Prospectus and this Red Herring Prospectus

A copy of the Draft Red Herring Prospectus had been filed electronically with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in, in accordance with the SEBI ICDR Master Circular, as specified in Regulation 25(8) of SEBI ICDR Regulations. A copy of the Draft Red Herring Prospectus was filed with SEBI at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

A copy of this Red Herring Prospectus, along with the material contracts and documents has been filed under Section 32 of the Companies Act, 2013 with the RoC at its office and a copy of the Prospectus shall be filed under Section 26 of the Companies Act, 2013 with the RoC at its office and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do. For details of the address, see "***- Address of the Registrar of Companies***" on page 83.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid Lot. The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all editions of Loksatta (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, India, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date. For details see "***Offer Structure***" beginning on page 423.

All Bidders (other than Anchor Investors) can participate in this Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Allocation to all categories, other than Anchor Investors, Non-Institutional Investors and Retail Individual Investors, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. Allocation to the Anchor Investors will be on a discretionary basis. For further details on method and process of Bidding, see "***Offer Structure***" and "***Offer Procedure***" beginning on pages 423 and 426, respectively.

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

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

Bidders should note that the Offer is also subject to (i) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations; and (ii) filing of the Prospectus with the RoC.

Investor Grievances

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

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

The Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned above.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company will enter into an underwriting agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

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

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

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares of face value of ₹ 10 each to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
Total	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and will be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting

obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscription for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Red Herring Prospectus, is set forth below.

S. No.	Particulars	Aggregate value at face value of ₹ 10 each *(in ₹)*	Aggregate value at Offer Price* *(in ₹)*
A)	**AUTHORIZED SHARE CAPITAL(1)**		
	176,001,000 Equity Shares bearing face value of ₹ 10 each	1,760,010,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	56,851,538 Equity Shares bearing face value of ₹ 10 each	568,515,380	-
C)	**THE OFFER**		
	Offer for sale of [●] Equity Shares bearing face value of ₹ 10 each by the Promoter Selling Shareholder aggregating up to ₹12,500.00 million(2)(3)	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	56,851,538 Equity Shares bearing face value of ₹ 10 each	568,515,380	-
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (*as on the date of this Red Herring Prospectus*)		Nil
	After the Offer		Nil

** To be included upon finalisation of the Offer Price and subject to the Basis of Allotment.*

*(1) For details in relation to changes in the authorized share capital of our Company in the last 10 years, see "**History and Certain Corporate Matters – Amendments to our Memorandum of Association in the last 10 years**" on page 246.*

(2) The Offer has been authorized by a resolution of our Board dated August 19, 2024. Further, the Promoter Selling Shareholder has been authorised to participate in the Offer through a resolution passed by its board of directors dated July 24, 2024 and has consented to participate in the Offer pursuant to its consent letter dated December 16, 2024. Our Board has taken on record such consent of the Promoter Selling Shareholder by a resolution dated August 19, 2024, read with the resolution dated December 16, 2024.

*(3) The Promoter Selling Shareholder specifically confirms that its Offered Shares has been held by it for a period of at least one year prior to the filing of this Red Herring Prospectus with SEBI and are accordingly eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulations. For details on the authorisation of the Promoter Selling Shareholder in relation to the Offered Shares, see "**The Offer**" beginning on page 75.*

Notes to the Capital Structure

1. **Share capital history of our Company**

(a) History of Equity Share capital of our Company

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

Date of allotment	Details of allottees	Reason for / nature of allotment/ buy-back	No. of Equity Shares allotted/ (bought back)	Face value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Nature of consideration
April 11, 1997	10 Equity Shares to Girish Behari Mathur and 10 Equity Shares to Shobhan Madhukant Thakore	Initial subscription to the Memorandum of Association	20	10	10	Cash
June 6, 1997*	39 Equity Shares to Girish Behari Mathur and 41 Equity Shares to Shobhan Madhukant Thakore	Further issue	80	10	10	Cash
September 30, 1997	4,899,900 Equity Shares to Escorts Limited	Rights issue	4,899,900	10	10	Cash
September 30, 1997	3,600,000 Equity Shares to Carraro S.p.A. and 1,500,000 Equity Shares to Simest S.p.A.	Allotment pursuant to a joint venture agreement	5,100,000	10	10	Cash
August 25, 1998*	4,900,000 Equity Shares to Escorts Limited, 3,600,000 Equity Shares to Carraro S.p.A. and	Rights issue	10,000,000	10	10	Cash

Date of allotment	Details of allottees	Reason for / nature of allotment/ buy-back	No. of Equity Shares allotted/ (bought back)	Face value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Nature of consideration
	1,500,000 Equity Shares to Simest S.p.A.					
March 15, 1999	4,900,000 Equity Shares to Escorts Limited, 3,600,000 Equity Shares to Carraro S.p.A. and 1,500,000 Equity Shares to Simest S.p.A.	Rights issue	10,000,000	10	10	Cash
March 9, 2000[*]	4,900,000 Equity Shares to Escorts Limited, 3,600,000 Equity Shares to Carraro S.p.A. and 1,500,000 Equity Shares to Simest S.p.A.	Rights issue	10,000,000	10	10	Cash
November 13, 2008	16,826,000 Equity Shares to Carraro Drive Tech S.p.A.	Preferential allotment	16,826,000	10	23	Cash
September 24, 2014	5,759,994 Equity Shares to Carraro Drive Tech S.p.A. and 6 Equity Shares to Siap S.p.A.	Allotment pursuant to a scheme of amalgamation of Turbo Gears India Private Limited with our Company	5,760,000	10	-[#]	Other than cash
October 30, 2014	Buy-back of 3,936,710 Equity Shares from Carraro Drive Tech S.p.A.	Buy-back	(3,936,710)	10	85	Cash
May 31, 2016	Buy-back of 1,797,752 Equity Shares from Carraro Drive Tech S.p.A.	Buy-back	(1,797,752)	10	89	Cash

[*] *The following corporate records of our Company are not traceable:*

S. No.	*Nature of untraceable document*	*Description of untraceable document*	*Purpose of untraceable document*
1.	*Form 2*	*Return of allotment under the Companies Act, 1956*	*Allotment of 39 Equity Shares to Girish Behari Mathur and 41 Equity Shares to Shobhan Madhukant Thakore in relation to a rights issue undertaken by the Company on June 6, 1997*
2.	*Form 2*	*Rectified return of allotment under the Companies Act, 1956*	*Allotment of 10,000,000 Equity Shares in relation to a rights issue undertaken by the Company on August 25, 1998*
3.	*Form 23*	*Registration of resolutions under the Companies Act, 1956*	*For the preferential allotment undertaken by the Company on November 13, 2008*
4.	*Approval from the RBI*	*Approval from the RBI*	*Approval received from the RBI in relation to allotment made by the Company to persons resident outside India (4,900,000 Equity Shares to Escorts Limited, 3,600,000 Equity Shares to Carraro S.p.A. and 1,500,000 Equity Shares to Simest S.p.A.), pursuant to a rights issue undertaken by the Company on March 9, 2000*
5.	*Challans*	*Challans to the forms filed with the relevant registrar of companies*	*Challans for the forms filed by the Company in relation to certain allotments and buy back of Equity Shares, and other corporate actions undertaken by the Company*

*Accordingly, (a) we have relied on the search report dated August 13, 2024 read with addendum dated August 22, 2024 prepared by Manish Ghia & Associates, Company Secretaries, for points (1), (2), (3), and (5) above, and intimated the relevant registrars of companies on August 13, 2024 and August 22, 2024; and (b) while we have relied on the return of allotment and resolutions passed by our Board, for point (4) above, we have requested RBI for a copy of the approval, through our current authorized dealer bank, vide our letter dated August 21, 2024. For further details see "**Risk Factors – We are unable to trace some of our historical records including forms filed with the RoC, and certain of our forms are undated and/ or unstamped and/or have factual discrepancy. Further, we have delayed in making certain regulatory filings required to be made with the RBI under applicable law. We cannot assure you that regulatory proceedings or***

actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard *" on page 49.*

*[#] Pursuant to a scheme of amalgamation entered into between our Company and Turbo Gears India Private Limited ("**Turbo Gears**") dated August 28, 2014, erstwhile shareholders of Turbo Gears, namely, Carraro Drive Tech S.p.A. and Siap S.p.A., were allotted 0.06 Equity Shares bearing face value of ₹ 10 each of our Company for every 1 fully paid-up equity share bearing face value of ₹ 10 each held by such shareholder in Turbo Gears. Accordingly, 5,759,994 Equity Shares and 6 Equity Shares were allotted to Carraro Drive Tech S.p.A. and Siap S.p.A., respectively, as consideration for the amalgamation.*

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

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or out of revaluation reserves since its incorporation:

Date of allotment	Details of allottees	Reason/ nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Benefits accrued to our Company
September 24, 2014	5,759,994 Equity Shares to Carraro Drive Tech S.p.A. and 6 Equity Shares to Siap S.p.A.	Allotment pursuant to a scheme of amalgamation of Turbo Gears India Private Limited with our Company	5,760,000	10	-[#]	Vesting of the entire undertaking of Turbo Gears India Private Limited in our Company leading to greater integration, financial strength and flexibility for the amalgamated entity, maximising shareholder value and improved competitive position of the combined entity

*[#] Pursuant to a scheme of amalgamation entered into between our Company and Turbo Gears India Private Limited ("**Turbo Gears**") dated August 28, 2014, erstwhile shareholders of Turbo Gears, namely, Carraro Drive Tech S.p.A. and Siap S.p.A., were allotted 0.06 Equity Shares bearing face value of ₹ 10 each of our Company for every 1 fully paid-up equity share bearing face value of ₹ 10 each held by such shareholder in Turbo Gears. Accordingly, 5,759,994 Equity Shares and 6 Equity Shares were allotted to Carraro Drive Tech S.p.A. and Siap S.p.A., respectively, as consideration for the amalgamation.*

2. **Issue of Equity Shares at a price lower than the Offer Price in the last one year**

Our Company has not issued any Equity Shares at a price lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus.

3. **Issue of Equity Shares pursuant to any schemes of arrangement**

Except as disclosed above under "***– Notes to the Capital Structure – Share capital history of our Company***", our Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

4. **Issue of Equity Shares under employee stock option schemes**

Our Company does not have any employee stock option scheme as on the date of this Red Herring Prospectus and has not issued any Equity Shares pursuant to any employee stock option scheme since incorporation.

5. **History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding**

As on the date of this Red Herring Prospectus, our Corporate Promoters, Carraro International S.E. (including 1 Equity Share of face value of ₹ 10 each jointly held with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively) and Carraro S.p.A., hold, in aggregate, 5,68,51,532 Equity Shares of face value of ₹ 10 each, which constitute 100.00% of the issued, subscribed and paid-up Equity Share capital of our Company. All the Equity Shares held by our Promoters are held in dematerialised form.

(a) **Build-up of Promoters' shareholding in our Company**

Set forth below is the build-up of our Promoters' (also the Promoter Selling Shareholder) shareholding since the incorporation of our Company:

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
A. Carraro International S.E.^							
November 15, 2006	Transfer from Escorts Limited	19,599,990	Cash	10	59.21*	34.48	[●]
November 15, 2006(1)	Transfer from Escorts Limited jointly held with Rachna Nagpal	2	Cash	10	59.21*	Negligible	[●]
November 15, 2006(2)	Transfer from Escorts Limited jointly held with Girish Behari Mathur	2	Cash	10	59.21*	Negligible	[●]
November 15, 2006(3)	Transfer from Escorts Limited jointly held with Anup Gupta	2	Cash	10	59.21*	Negligible	[●]
November 15, 2006(4)	Transfer from Escorts Limited jointly held with Vinod Dixit	2	Cash	10	59.21*	Negligible	[●]
November 15, 2006(5)	Transfer from Escorts Limited jointly held with Sonia Niranjan Das	2	Cash	10	59.21*	Negligible	[●]
June 27, 2008	Transfer to Carraro S.p.A.	(19,599,980)	Cash	10	69.36$	34.48	[●]
June 27, 2008(2)	Transfer to Carraro S.p.A. jointly held with Carlo Borsari	(2)	Cash	10	71.38$	Negligible	[●]
June 30, 2008(1)	Transfer to Carraro S.p.A. jointly held with Mario Carraro	(2)	Cash	10	71.88#	Negligible	[●]
June 30, 2008(3)	Transfer to Carraro S.p.A. jointly held with Enrico Gomiero	(2)	Cash	10	71.88#	Negligible	[●]
June 30, 2008(4)	Transfer to Carraro S.p.A. jointly held with Enrico Carraro	(2)	Cash	10	71.88#	Negligible	[●]
June 30, 2008(5)	Transfer to Carraro S.p.A. jointly held with Mario Tolusso	(2)	Cash	10	71.88#	Negligible	[●]
September 26, 2008	Transfer to Carraro S.p.A. jointly held with Tomaso Carraro	(10)	Cash	10	341.79@	Negligible	[●]
July 31, 2020	Transfer of 56,851,530 Equity Shares	56,851,532	Other than cash	10	-	99.99	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
	from Carraro Drive Tech S.p.A. and 2 Equity Shares from Carraro Drive Tech S.p.A. jointly held with Enrico Carraro pursuant to the merger of Carraro Drive Tech S.p.A. with Carraro International S.E.						
July 3, 2024	Transfer to Carraro S.p.A.	(1)	Cash	10	10	Negligible	[●]
Sub-total (A)		**56,851,531[(6)]**				**99.99**	**[●]**

^ *Carraro International S.E. is also participating in the Offer as the Promoter Selling Shareholder.*

* *Calculated basis exchange rate of Euro 1 = ₹ 58.05, as per RBI. Carraro International S.E. acquired an aggregate of 19,600,000 Equity Shares amounting to Euro 20.00 million, from Escorts Limited (together with Equity Shares jointly held by Escorts Limited with Rachna Nagpal, Girish Behari Mathur, Anup Gupta, Vinod Dixit and Sonia Niranjan Das) pursuant to a share purchase agreement entered into between Carraro International S.E. and Escorts Limited dated September 12, 2006.*

$ *Calculated basis exchange rate of Euro 1 = ₹ 67.34, as per RBI.*

Calculated basis exchange rate of Euro 1 = ₹ 67.81, as per RBI.

@ *Calculated basis exchange rate of Euro 1 = ₹ 67.95, as per RBI.*

(1) Includes Equity Shares jointly held by Carraro International S.E. and Feroz Dubash, Carraro International S.E. being the first holder.

(2) Includes Equity Shares jointly held by Carraro International S.E. and Luigino Ricetto, Carraro International S.E. being the first holder.

(3) Includes Equity Shares jointly held by Carraro International S.E. and Shashank Jauhri, Carraro International S.E. being the first holder.

(4) Includes Equity Shares jointly held by Carraro International S.E. and Venu Gopal, Carraro International S.E. being the first holder.

(5) Includes Equity Shares jointly held by Carraro International S.E. and Shobhan Madhukant Thakore, Carraro International S.E. being the first holder.

(6) Includes transfer of (i) 1 Equity Share held by Carraro International S.E. to Carraro International S.E. jointly held with Tomaso Carraro on July 3, 2024; (ii) 1 Equity Share held by Carraro International S.E. to Carraro International S.E. jointly held with Enrico Carraro on July 3, 2024; (iii) 1 Equity Share held by Carraro International S.E. to Carraro International S.E. jointly held with Enrico Gomiero on July 3, 2024; and (iv) 1 Equity Share held by Carraro International S.E. to Carraro International S.E. jointly held with Davide Grossi on July 3, 2024.

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
B. Carraro S.p.A.							
September 30, 1997	Allotment pursuant to a joint venture agreement	3,600,000	Cash	10	10	6.33	[●]
August 25, 1998^	Rights issue	3,600,000	Cash	10	10	6.33	[●]
March 15, 1999	Rights issue	3,600,000	Cash	10	10	6.33	[●]
March 9, 2000^	Rights issue	3,600,000	Cash	10	10	6.33	[●]
December 30, 2002	Transfer from Simest S.p.A.	6,000,000	Cash	10	10	10.55	[●]
June 27, 2008	Transfer from Carraro International S.E.	19,599,980	Cash	10	69.36[$]	34.48	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
June 27, 2008[(1)]	Transfer from Carraro International S.E. jointly held with Luigino Ricetto	2	Cash	10	71.38[$]	Negligible	[●]
June 30, 2008[(2)]	Transfer from Carraro International S.E. jointly held with Feroz Dubash	2	Cash	10	71.88[#]	Negligible	[●]
June 30, 2008[(3)]	Transfer from Carraro International S.E. jointly held with Shashank Jauhri	2	Cash	10	71.88[#]	Negligible	[●]
June 30, 2008[(4)]	Transfer from Carraro International S.E. jointly held with Venu Gopal	2	Cash	10	71.88[#]	Negligible	[●]
June 30, 2008[(5)]	Transfer from Carraro International S.E. jointly held with Shobhan Madhukant Thakore	2	Cash	10	71.88[#]	Negligible	[●]
September 26, 2008[(6)]	Transfer from Carraro International S.E.	10	Cash	10	341.79[@]	Negligible	[●]
October 1, 2008	Transfer to Carraro Drive Tech S.p.A.	(39,999,980)	Cash	10	10	70.36	[●]
October 1, 2008[(1)]	Transfer to Carraro Drive Tech S.p.A.	(2)	Cash	10	10	Negligible	[●]
October 1, 2008[(2)]	Transfer to Carraro Drive Tech S.p.A.	(2)	Cash	10	10	Negligible	[●]
October 1, 2008[(3)]	Transfer to Carraro Drive Tech S.p.A.	(2)	Cash	10	10	Negligible	[●]
October 1, 2008[(4)]	Transfer to Carraro Drive Tech S.p.A.	(2)	Cash	10	10	Negligible	[●]
October 1, 2008[(5)]	Transfer to Carraro Drive Tech S.p.A.	(2)	Cash	10	10	Negligible	[●]
October 1, 2008[(6)]	Transfer to Carraro Drive Tech S.p.A.	(10)	Cash	10	10	Negligible	[●]
July 3, 2024	Transfer from Carraro International S.E.	1	Cash	10	10	Negligible	[●]
Sub-total (B)		**1**				**Negligible**	**[●]**
Total[*] (A+B)		**56,851,532**				**99.99**	**[●]**

(1) Includes Equity Shares jointly held by Carraro S.p.A. and Carlo Borsari, Carraro S.p.A. being the first holder.
(2) Includes Equity Shares jointly held by Carraro S.p.A. and Mario Carraro, Carraro S.p.A. being the first holder.
(3) Includes Equity Shares jointly held by Carraro S.p.A. and Enrico Gomiero, Carraro S.p.A. being the first holder.
(4) Includes Equity Shares jointly held by Carraro S.p.A. and Enrico Carraro, Carraro S.p.A. being the first holder.

(5) Includes Equity Shares jointly held by Carraro S.p.A. and Mario Tolusso, Carraro S.p.A. being the first holder.
(6) Includes Equity Shares jointly held by Carraro S.p.A. and Tomaso Carraro, Carraro S.p.A. being the first holder.
*^ Certain corporate records of our Company, such as (i) rectified form filing for allotment of 10,000,000 Equity Shares in relation to a rights issue undertaken by our Company on August 25, 1998; and (ii) approval received from the RBI in relation to allotment made by our Company to persons resident outside India, pursuant to a rights issue undertaken by our Company on March 9, 2000, are not traceable. Accordingly, (a) we have relied on the search report dated August 13, 2024 read with addendum dated August 22, 2024 prepared by Manish Ghia & Associates, Company Secretaries, for points (i) and (ii) above, and intimated the relevant registrars of companies on August 13, 2024 and August 22, 2024; and (b) while we have relied on the return of allotment and resolutions passed by our Board, for point (iii) above, we have requested RBI for a copy of the approval, through our current authorized dealer bank, vide our letter dated August 21, 2024. For further details see "**Risk Factors – We are unable to trace some of our historical records including forms filed with the RoC, and certain of our forms are undated and/ or unstamped and/or have factual discrepancy. Further, we have delayed in making certain regulatory filings required to be made with the RBI under applicable law. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard**" on page 49.*
$ Calculated basis exchange rate of Euro 1 = ₹ 67.34, as per RBI.
Calculated basis exchange rate of Euro 1 = ₹ 67.81, as per RBI.
@ Calculated basis exchange rate of Euro 1 = ₹ 67.95, as per RBI.
** The build-up of the Equity shareholding of our Promoters excludes the Equity Shares held by our Individual Promoters, Tomaso Carraro and Enrico Carraro, where Tomaso Carraro and Enrico Carraro are the second holders.*

As on the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

(b) **Build-up of the shareholding held by members of Promoter Group in our Company**

Set forth below is the build-up of the shareholding held by members of Promoter Group since the incorporation of our Company:

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue/ acquisition/ transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
Siap S.p.A.							
September 24, 2014	Allotment pursuant to a scheme of amalgamation of Turbo Gears India Private Limited with our Company	6	Other than cash	10	-#	Negligible	[●]
Total		**6**				**Negligible**	

*# Pursuant to a scheme of amalgamation entered into between our Company and Turbo Gears India Private Limited ("**Turbo Gears**") dated August 28, 2014, erstwhile shareholders of Turbo Gears, namely, Carraro Drive Tech S.p.A. and Siap S.p.A., were allotted 0.06 Equity Shares bearing face value of ₹ 10 each of our Company for every 1 fully paid-up equity share bearing face value of ₹ 10 each held by such shareholder in Turbo Gears. Accordingly, 5,759,994 Equity Shares and 6 Equity Shares were allotted to Carraro Drive Tech S.p.A. and Siap S.p.A., respectively, as consideration for the amalgamation.*

(c) **Shareholding of our Promoters, the members of our Promoter Group and directors of our Corporate Promoters**

Except as disclosed below, our Promoters, the members of our Promoter Group and the directors of our Corporate Promoters do not hold any Equity Shares in our Company:

Name of shareholder	Pre-Offer		Post-Offer*	
	No. of Equity Shares of face value of ₹ 10 each	% of pre-Offer Equity Share capital	No. of Equity Shares of face value of ₹ 10 each	% of post-Offer Equity Share capital
Promoters				
Carraro International S.E.	56,851,531^	99.99	[●]	[●]
Carraro S.p.A.	1	Negligible	[●]	[●]
Sub-total (A)	**56,851,532**	**99.99**	**[●]**	**[●]**
Promoter Group				
Siap S.A.	6	Negligible	[●]	[●]
Sub-total (B)	**6**	**Negligible**	**[●]**	**[●]**

Name of shareholder	Pre-Offer		Post-Offer*	
	No. of Equity Shares of face value of ₹ 10 each	% of pre-Offer Equity Share capital	No. of Equity Shares of face value of ₹ 10 each	% of post-Offer Equity Share capital
Total (A+B)	**56,851,538**	**100.00**	**[●]**	**[●]**

** Subject to finalization of Basis of Allotment.*

^ Including 1 Equity Share each jointly held with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively, Carraro International S.E. being the first holder.

(d) **Lock-in requirements**

(a) Details of Promoters' Contribution and lock-in

Pursuant to Regulation 14 and Regulation 16(1)(a) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of 18 months from the date of Allotment ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 18 months, from the date of Allotment as Promoters' Contribution are set forth below:

Name of the Promoter	Number of Equity Shares (of face value of ₹ 10 each) locked-in*	Date of allotment/ transfer/ acquisition#	Nature of transaction	Face value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share Capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated prior to filing of the Prospectus with the RoC.

Equity Shares were fully paid-up on the date of allotment/acquisition.

** Subject to finalisation of Basis of Allotment.*

Our Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Promoters' Contribution.

Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing of the Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "***– Notes to the Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding – Build-up of Promoters' shareholding in our Company***" on page 96.

In this connection, we confirm the following:

(i) the Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years: (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;

(ii) the Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company;

(iv) the Equity Shares forming part of the Promoters' Contribution are not subject to any pledge with any creditor; and

(v) all the Equity Shares held by the Promoters are held in dematerialised form.

(b) Details of Equity Shares locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, except for:

(i) the Promoters' Contribution and any Equity Shares held by our Promoters in excess of the Promoters' Contribution, which shall be locked in as above; and

(ii) any Equity Shares allotted to employees, whether currently an employee or not, pursuant to any employee stock option schemes prior to the Offer,

the entire pre-Offer equity share capital held by persons other than the Promoters, will be locked-in for a period of six months from the date of Allotment.

In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders.

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

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 and 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.

(d) Other requirements in respect of lock-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

The Equity Shares held by the Promoters, which are locked-in, may be pledged only with scheduled commercial banks or public financial institutions or NBFC-SIs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations. In terms of Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of 18 months from the date of Allotment may be pledged only with the entities mentioned above, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans. Further, pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in for a period of six months from the date of Allotment, may be pledged only with the entities mentioned above, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are lock-in for a period of six months may be transferred amongst our Promoters or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and in compliance with the provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the applicable lock-in and the transferee being ineligible to transfer such Equity Shares until expiry of the lock-in period, and in compliance with the provisions of the Takeover Regulations.

6. **Our shareholding pattern**

Set forth below is the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total no. Shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of equity shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	**Promoters and Promoter Group**	7*	56,851,538	Nil	Nil	56,851,538	100.00	Equity Shares	Nil	56,851,538	56,851,538	Nil	Nil	Nil	Nil	Nil	Nil	56,851,538
(B)	**Public**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C)	**Non-Promoter-Non Public**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(1)	**Shares underlying Custodian/ Depository Receipts**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2)	**Shares held by Employee Trust**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (A)+(B)+(C)	7*	**56,851,538**	**Nil**	**Nil**	**56,851,538**	**100.00**	**-**	**Nil**	**56,851,538**	**56,851,538**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**56,851,538**

* *Including 1 Equity Share each jointly held with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively, Carraro International S.E. being the first holder.*

7. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

8. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

9. **Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company**

Except as stated below, none of our Directors, Key Managerial Personnel or Senior Management hold any Equity Shares in our Company:

S. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	% of the pre-Offer Equity Share capital
1.	Tomaso Carraro*	1	Negligible
2.	Enrico Gomiero*	1	Negligible
3.	Davide Grossi*	1	Negligible

** Jointly held with Carraro International S.E., being the first holder.*

10. **Details of shareholding of the major Shareholders of our Company**

(a) As on the date of this Red Herring Prospectus, our Company has 7 Shareholders (including one Equity Share jointly held by Carraro International S.E. with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively).

(b) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	% of the pre-Offer Equity Share capital
1.	Carraro International S.E.	56,851,531^	99.99
	Total	**56,851,531^**	**99.99**

^ Including 1 Equity Share each jointly held with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively, Carraro International S.E. being the first holder.

(c) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	% of the pre-Offer Equity Share capital
1.	Carraro International S.E.	56,851,531^	99.99
	Total	**56,851,531^**	**99.99**

^ Including 1 Equity Share each jointly held with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively, Carraro International S.E. being the first holder.

(d) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	% of the pre-Offer Equity Share capital
1.	Carraro International S.E.	56,851,532	99.99
	Total	**56,851,532**	**99.99**

(e) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	% of the pre-Offer Equity Share capital
1.	Carraro International S.E.	56,851,532	99.99
	Total	**56,851,532**	**99.99**

11. **Employee Stock Option Scheme**

Our Company does not have any employee stock option scheme as on the date of this Red Herring Prospectus.

12. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, directors of our Corporate Promoters, our Directors or any of their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the six months immediately preceding the date of filing of the Draft Red Herring Prospectus and this Red Herring Prospectus.

13. Our Company, our Directors and the BRLMs have not entered into any buy-back or any other arrangements for purchase of Equity Shares being offered through this Offer from any person.

14. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

15. Our Company has no outstanding warrants, options to be issued Equity Shares or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.

16. No person connected with the Offer, including our Company, the BRLMs, the Members of the Syndicate, our Promoters, members of our Promoter Group, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

17. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

18. Except as disclosed under "***Notes to the Capital Structure – History of Equity Share capital of our Company***" and *"**Notes to the Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding - Build-up of Promoters' shareholding in our Company***" on pages 93 and 96, respectively, our Promoters, the directors of our Corporate Promoters, any member of our Promoter Group, our Directors, or their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.

19. Our Company presently does not intend or propose and is not under negotiations or considerations to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares.

20. Except as disclosed in "***Risk Factors – We are unable to trace some of our historical records including forms filed with the RoC, and certain of our forms are undated and/ or unstamped and/or have factual discrepancy. Further, we have delayed in making certain regulatory filings required to be made with the RBI under applicable law. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard***" on page 49, all the issuances and/or allotments of equity shares since incorporation until the date of this Red Herring Prospectus, by our Company have been undertaken in accordance with the provisions of the Companies Act, to the extent applicable.

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

22. Our Promoters and members of the Promoter Group shall not participate in the Offer, except by way of participation by the Promoter Selling Shareholder, as applicable, in the Offer for Sale.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹12,500.00 million by the Promoter Selling Shareholder which constitutes [●]% of the pre-Offer Equity Share capital of the Company; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. For further details, see "***The Offer***" beginning on page 75.

Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India.

Utilisation of the Offer Proceeds

Our Company will not receive any proceeds from the Offer (the "**Offer Proceeds**") and all the Offer Proceeds will be received by the Promoter Selling Shareholder after deduction of Offer related expenses and relevant taxes thereon, to be borne by the Promoter Selling Shareholder. For details of Equity Shares offered by the Promoter Selling Shareholder, see "***Other Regulatory and Statutory Disclosures***" beginning on page 402.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, audit fees of statutory auditors (to the extent not attributable to the Offer), and expenses in relation to product or corporate advertisements, *i.e.*, any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which shall be solely borne by the Company ("***Company Expenses***"), the Promoter Selling Shareholder shall bear all costs, charges, fees and expenses directly attributable to the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the Promoter Selling Shareholder shall reimburse the Company for any expenses in relation to the Offer, paid by the Company on behalf of the Promoter Selling Shareholder directly from the Public Offer Account. In the event that the Offer is withdrawn, unsuccessful or if the Offer does not open during the period of validity of the final observations issued by SEBI or not completed for any reason, other than the Company Expenses, all the costs and expenses (including all applicable taxes) directly attributed to the Offer shall be borne by the Promoter Selling Shareholder.

The estimated Offer related expenses are as follows:

S. No.	Activity	Estimated amount (in ₹ million)	As a % of total estimated Offer Expenses	As a % of Offer Size
1.	BRLMs' fees and commissions (including underwriting commission)	[●]	[●]	[●]
2.	Brokerage, selling commission, bidding charges, processing fees and bidding charges for the Members of the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs [(1)(2)(3)(4)]	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Other expenses:	[●]	[●]	[●]
i.	Listing fees, SEBI filing fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
ii.	Printing and stationery expenses	[●]	[●]	[●]
iii.	Fees payable to the legal counsel	[●]	[●]	[●]
iv.	Advertising and marketing expenses for the Offer	[●]	[●]	[●]
v.	Fees payable to other parties to the Offer including but not limited to the Statutory Auditors, independent chartered accountants and industry report provider	[●]	[●]	[●]
	Total	[●]	[●]	[●]

* *Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated in the Prospectus. Offer expenses are estimates and are subject to change.*

[(1)] *Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured and uploaded by the SCSBs,*

would be as follows:

*Portion for Retail Individual Investors**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*0.20% of the Amount Allotted (plus applicable taxes)*

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

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE. No processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them.

(2) Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors (excluding UPI Bids) 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 Investors**	*₹10.00 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹10.00 per valid application (plus applicable taxes)*

** Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-Syndicate(Broker)/sub-broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Buyers with bids above ₹0.50 million would be ₹10 plus applicable taxes, per valid application. Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹2.00 million (plus applicable taxes) and in case if the total processing fees exceeds ₹2.00 million (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of (i) Retail Individual Investors, (ii) Non-Institutional Investors, as applicable.*

(3) Selling commission on the portion for Retail Individual Investors (up to ₹0.20 million) and Non-Institutional Investors which are procured by members of the Syndicate (including their Sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

*Portion for Retail Individual Investors**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*0.20% of the Amount Allotted (plus applicable taxes)*

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

The Selling commission payable to the Syndicate / Sub-Syndicate Members will be determined:

(i) for Retail Individual Investors and Non-Institutional Investors (up to ₹0.50 million), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Members. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Members, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member; and

(ii) for Non-Institutional Investors (above (₹0.50 million), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for blocking of the fund and uploading on the Stock Exchanges platform by SCSBs. 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 Syndicate/Sub-Syndicate members and not the SCSB.

(4) Bidding charges payable to members of the Syndicate (including their Sub-Syndicate Members), on the applications made by using 3-in-1 accounts would be ₹10.00 plus applicable taxes, per valid application bid by the Syndicate (including their Sub-Syndicate Members). Bidding charges payable to SCSBs on the QIB Portion and Non-Institutional Investors (excluding UPI Bids) which are procured by the Syndicate/Sub-Syndicate/RTAs/CDPs and submitted to SCSBs for blocking and uploading would be ₹10.00 per valid application (plus applicable taxes). Notwithstanding anything contained above the total uploading charges payable under this clause will not exceed ₹2.00 million (plus applicable taxes) and in case if the total uploading charges exceeds ₹2.00 million (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of (i) Retail Individual Investors, (ii) Non-Institutional Investors, as applicable.

(5) Selling commission/ uploading charges payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Investors**	*₹10.00 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹10.00 per valid application (plus applicable taxes)*

**Based on valid applications.*

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE. Notwithstanding anything contained above the total selling commission/ uploading charges payable under this clause will not exceed ₹0.50 million (plus applicable taxes) and in case if the total uploading charges exceeds ₹ 0.50 million (plus applicable taxes) then selling commission/ uploading charges will be paid on pro-rata basis for portion of (i) Retail Individual Investors, (ii) Non-Institutional Investors, as applicable.

(6) Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate (including their Sub-Syndicate Members) / RTAs / CDPs	*₹30,00 per valid application (plus applicable taxes)*
Kotak Mahindra Bank Limited	*Up to 150,000 valid Bid cum Application Forms: Nil* *Above 150,000 valid Bid cum Application Forms: ₹6.5 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, the Syndicate Agreement, and other applicable laws.*
Axis Bank Limited	*Nil processing fees* *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, the Syndicate Agreement and other applicable laws.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The total uploading charges / processing fees payable under this clause to members of the Syndicate, RTAs, CDPs, will be subject to a maximum cap of ₹10.00 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹10.00 million, then the amount payable to members of the Syndicate, RTAs, CDPs, would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹5.00 million.

Pursuant to SEBI ICDR Master Circular, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 0.50 million and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Member to SCSB a special Bid-cum application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / Sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for Retail Individual Investor and Non-Institutional Investor Bids up to ₹ 0.50 million will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular. 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 in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time and in accordance with SEBI ICDR Master Circular.

Monitoring utilization of funds

As the Offer is by way of an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no monitoring agency is required to be appointed for the Offer.

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Promoter Selling Shareholder, none of our Promoters, Directors, Key Managerial Personnel, Senior Management, members of our Promoter Group or Group Companies will receive any portion of the Offer Proceeds, and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoters, Directors, Key Managerial Personnel, Senior Management or members of our Promoter Group or Group Companies.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to "***Risk Factors***", "***Our Business***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 25, 195, 279 and 350, respectively, to have an informed view before making an investment decision.

I. Qualitative Factors

Some of the qualitative factors about our Company which form the basis for computing the Offer Price are set forth below:

1. One of the leading tier 1 suppliers of transmissions systems and a key supplier of axles in the agricultural tractor and construction vehicle industries in India with competitive moat for mission critical and complex driveline components.

2. Customer-centric, one-stop shop offering customized solutions to a longstanding OEM customer base.

3. Longstanding relationships with marquee local and international supplier base.

4. Strong, in-house R&D capabilities with proprietary IP rights to facilitate innovation of future-ready products.

5. Technologically advanced manufacturing plants with large production capacities.

6. Stable and experienced senior management team with strong industry knowledge and proven track record of growing the business and achieving margin optimization.

For further details, see "***Our Business –Strengths***" on page 200.

II. Quantitative Factors

Certain information presented below relating to us is based on the on the Restated Consolidated Financial Information. For details, see "***Restated Consolidated Financial Information***" beginning on page 279.

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

A. Basic and Diluted Earnings Per Equity Share ("EPS")

Financial Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	11.00	11.00	3
March 31, 2023	8.52	8.52	2
March 31, 2022	3.94	3.94	1
Weighted Average	**9.00**	**9.00**	
September 30, 2024*	8.75	8.75	-
September 30, 2023*	4.39	4.39	-

* *Not annualised*

Notes:

1. *Basic EPS is calculated as restated profit after tax divided by the weighted average number of Equity Shares outstanding during the year.*
2. *Diluted EPS is calculated as restated profit after tax divided by the weighted average number of Equity Shares outstanding during the year.*
3. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/total of weights.*
4. *Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) read with the requirements of SEBI ICDR Regulations.*

B. Price/Earning ("P/E") ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Based on basic EPS for Fiscal 2024	[●]	[●]
Based on diluted EPS for Fiscal 2024	[●]	[●]

** To be computed post finalization of Price Band.*

C. Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	76.93
Lowest	42.82
Average	55.80

Notes:

1. *The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*
2. *The industry P / E ratio mentioned above is for the financial year ended March 31, 2024 and closing market price of equity shares on BSE for peers as of July 31, 2024.*

D. Return on Net Worth ("RoNW")

Financial Year ended	RoNW (%)	Weight
March 31, 2024	16.92	3
March 31, 2023	14.36	2
March 31, 2022	7.67	1
Weighted Average	**14.52**	
September 30, 2024*	11.86	
September 30, 2023*	6.87	

** Not annualised*

Notes:

1. *Return on Net Worth (in %) is calculated as profit after tax for the year/period divided by the Net Worth at the end of the respective year/period.*
2. *Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
3. *Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. Return on Net Worth x Weight for each year/total of weights.*

E. Net Asset Value ("NAV") per Equity Share

Particulars	Amount (₹)
As on March 31, 2024	65.05
As on September 30, 2024^	73.78
After the completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
Offer Price	[●]*

** To be computed post finalization of Price Band.*

^ Not annualised

Notes:

1. *Net Asset Value per Equity Share represents total equity attributable to the owners of the Company / Weighted average number of ordinary shares (numbers).*
2. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor.*

F. Comparison of accounting ratios with listed industry peers

The companies referred to in the below table are involved in (i) supplying critical system solutions; (ii) OEMs manufacturing agricultural tractors and/ or construction vehicles; and (iii) forging and machining components. Their manufacturing operations (i) are capital intensive; (ii) involve high precision manufacturing; and (iii) involve high level of technological complexities to manufacture their respective end-products similar to those of our Company.

Name of the company	Face Value (₹)	Price to Earning	EPS (Basic) (₹)	EPS (Diluted) (₹)	Return on Net Worth (%)	NAV per share (₹)	Market Price* (₹)
Company	10	-	11.00	11.00	16.92%	65.05	NA
Listed peers							
Escorts Kubota Limited	10	43.21	96.80	96.64	11.43%	830.45	4,175.75
Schaeffler India Limited	2	74.22	57.5	57.5	18.71%	307.44	4,267.75
Sona BLW Precision Forgings Limited	10	76.93	8.83	8.83	18.49%	47.75	679.30
Ramakrishna Forgings Limited	2	42.82	20.27	20.09	12.72%	148.48	860.35
Happy Forgings Limited	2	47.08	26.78	26.75	15.07%	171.17	1,259.40
Action Construction Equipment Limited	10	50.56	27.56	27.56	26.69%	307.44	1,393.35

** As of July 31, 2024*

Notes:

1. *Financial information of our Company has been derived from the Restated Consolidated Financial Information as of or for the financial year ended March 31, 2024.*
2. *All the financial information for listed industry peer is on a consolidated basis and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges, as of and for year ended March 31, 2024, except Schaeffler India Ltd as of and for year ended December 31, 2023.*
3. *P/E Ratio for the listed industry peer has been computed based on the closing market price of equity shares, on BSE for peers, as of July 31, 2024, divided by the diluted EPS for the respective year end.*
4. *Return on Net Worth (in %) is calculated as profit after tax for the year divided by the Net Worth at the end of the respective year.*
5. *Net Asset Value per Equity Share represents Net Worth as at the end of the year divided by number of Equity Shares outstanding at the end of the year.*

Background of our listed industry peers

For a detailed profile of the industry peers, please see "***Industry Overview – Key Competitors***" on page 181.

G. Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The Bidders can refer to the below-mentioned KPIs to make an assessment of our Company's performance in various business verticals and make an informed decision. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated December 16, 2024. The members of our 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 prior to the date of filing of this Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by J.C. Bhalla & Co., Chartered Accountants, by their certificate dated December 16, 2024.

We have described and defined the KPIs, as applicable, in "***Definitions and Abbreviations***" beginning on page 1, For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see "***Our Business***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" beginning on pages 195 and 350, respectively.

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 Directors of our Company), for a period of one year after the date of listing of the Equity Shares on the Stock Exchanges, or for such other duration as required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below.

Details of our KPIs as of and for the six months ended September 30, 2024 and September 30, 2023 and Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022, is set out below:

KPIs	Six months ended September 30, 2024	Six months ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Financial metrics					
Revenue from Operations	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Revenue growth (yoy)	(4.83%)	NA	4.43%	14.40%	-
EBIT	788.11	450.96	1,068.57	853.75	469.58
EBIT Margin (%)	8.54%	4.64%	5.91%	4.93%	3.09%
EBITDA	1,010.96	661.45	1,499.95	1,248.11	828.63
EBITDA Margin (%)	10.96%	6.81%	8.30%	7.20%	5.45%
PAT	497.34	249.37	625.63	484.59	224.26
PAT Margin (%)	5.44%	2.59%	3.50%	2.83%	1.50%
ROE (%)	12.60%	7.12%	17.69%	15.39%	7.93%
ROCE (%)	13.13%	8.14%	19.35%	16.30%	10.00%
Net Financial Position (Net Debt)	(1,056.86)	(1,670.18)	(1,359.94)	(1,105.08)	(1,122.35)
Net Debt/EBITDA	(1.05)	(2.53)	(0.91)	(0.89)	(1.35)
Net Working Capital	2,175.63	1,512.95	1,389.61	1,611.48	837.91
Operating Working Capital	1,900.74	2,111.53	1,636.70	1,305.98	650.21
Revenue by geographical split (%)					
Domestic	65.40%	63.91%	64.13%	61.81%	63.20%
Exports	34.60%	36.09%	35.87%	38.19%	36.80%
Revenues split by end market (%)					
Agricultural Equipment	47.08%	45.08%	45.05%	49.37%	50.59%
Construction Equipment	39.61%	41.93%	41.29%	38.43%	36.12%
Others	13.31%	13.00%	13.66%	12.20%	13.28%

Notes:

- *EBIT is calculated as restated profit for the year plus tax expense, interest income and finance cost.*
- *EBIT Margin is calculated as EBIT as a percentage of total income.*
- *EBITDA represents the restated profit before tax for the year plus finance cost, depreciation and amortization expenses.*
- *EBITDA Margin represents EBITDA as a percentage of total income.*
- *PAT Margin is calculated as PAT as a percentage of revenue from operations.*
- *Return on Equity (in %) is calculated as profit after tax for the year divided by average equity.*
- *RoCE (in %) is calculated as EBIT divided by capital employed.*
- *Net Financial Position (Net Debt) is calculated as (i) the sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities*
- *Net Debt /EBITDA is calculated as Net Debt divided by EBITDA.*
- *Net Working Capital is calculated as current assets minus current liabilities.*
- *Operating Working Capital is calculated as trade receivables plus inventory minus trade payables*

Brief explanations of the relevance of the KPIs for our business operations are set forth below:

Key metrics	Significance of the KPIs
Revenue from Operations	Revenue from Operations is used to track the revenue profile of our business and in turn helps to assess the financial performance of the Company and size of our business
Revenue growth (yoy)	Revenue from Operations growth provides information regarding the growth of our business for the respective period
EBIT	EBIT provides insights into the Company's operational profitability before the Finance Cost and Taxation
EBIT Margin (%)	EBIT Margin is an indicator of the operational efficiency of our business calculated as EBIT as a percentage of total income
EBITDA	EBITDA provides insights into the Company's operational profitability before the Finance Cost, Taxation, Depreciation and amortization expenses
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational efficiency of our business calculated as EBITDA as a percentage of total income
PAT	Profit after tax takes into account the taxes paid by the company on its pre-tax earnings and is a crucial metric for assessing financial performance
PAT Margin (%)	PAT Margin is an indicator of the overall profitability of the Company
ROE (%)	Return on equity provides how efficiently our Company generates profits from shareholders' funds

Key metrics	Significance of the KPIs
ROCE (%)	Return on capital employed provides how efficiently our Company generates earnings from the capital employed in the business
Net Financial Position	This is the measure of net debt position of our company
Net Debt/EBITDA	Net Debt to EBITDA is a measure of the extent to which our Company can cover our debt and represents our debt position in comparison to our profitability. It helps evaluate our financial leverage
Net Working Capital	This is the measure of funds used to fund operations and meet short-term obligations
Operating Working Capital	This is a more specific measure focusing on the working capital tied directly to our core business operations
Revenue by geographical split (%)	This metric enables the company to track our geographic diversification
Revenues split by end market (%)	This metric enables the company to track the diversification of revenues in its key focus end-use segments

H. Comparison of our KPIs with listed industry peers for the six months ended September 30, 2024 and September 30, 2023 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in the Restated Consolidated Financial Information

Six months ended September 30, 2024

KPIs	Company	Escorts Kubota Limited	Schaeffler India Limited	Sona BLW Precision Forgings Limited	Ramakrishna Forgings Limited	Happy Forgings Limited	Action Construction Equipment Limited
Revenue from Operations	9,146.19	53,068.80	39,799.70	18,133.63	20,131.11	7,025.98	14,909.50
Revenue growth (yoy)	(4.83%)	(0.01)%	12.98%	19.39%	7.43%	4.41%	12.54%
EBIT	788.11	7,257.50	6,319.00	3,998.34	3,245.78	1,859.89	2,551.10
EBIT Margin (%)	8.54%	13.13%	15.66%	21.66%	16.03%	25.71%	16.43%
EBITDA	1,010.96	8,511.20	7,620.00	5,230.51	4,473.20	2,236.57	2,689.50
EBITDA Margin (%)	10.96%	15.40%	18.88%	28.33%	22.10%	30.92%	17.32%
PAT	497.34	6,259.00	NA	2,852.88	1,871.93	1,351.69	1,790.00
PAT Margin (%)	5.44%	11.79%	12.27%	15.73%	9.30%	19.24%	12.01%
ROE (%)	12.60%	6.58%	NA	7.24%	6.65%	8.13%	13.68%
ROCE (%)	13.13%	7.34%	NA	8.26%	7.14%	9.88%	16.90%
Net Financial Position (Net Debt)	(1,056.86)	6,524.00	NA	15,191.42	(14,974.071)	1,346.99	(640.00)
Net Debt/EBITDA	(1.05)	0.77	NA	2.90	(3.35)	0.60	(0.24)
Net Working Capital	2,175.63	46,890.00	NA	31,519.67	7,203.07	5,202.26	3,032.00
Operational Working Capital	1,900.74	16,455.90	NA	6,606.83	12,475.13	5,804.54	1,261.50
Market Price	NA	4,269.00	3,908.55	743.35	1,007.95	1,186.60	1,387.40
Market Cap	NA	477,606.13	610,920.71	461,809.97	182,213.35	111,783.51	165,216.03
Revenue by geographical split (%)							
Domestic	65.40%	NA	NA	NA	NA	NA	NA
Exports	34.60%	NA	NA	NA	NA	NA	NA
Revenues split by end market (%)							
Agricultural Equipment	47.08%	NA	NA	NA	NA	NA	NA
Construction Equipment	39.61%	NA	NA	NA	NA	NA	NA
Others	13.31%	NA	NA	NA	NA	NA	NA

Notes:

- *Financial information for our Company is derived from the Restated Consolidated Financial Information for the six months ended September 30, 2024.*
- *All the financial information for listed industry peer is on a consolidated basis and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges, as of and for the six months ended September 30, 2024, except Schaeffler India Ltd as of and for six months ended June 30, 2024.*
- *EBIT is calculated as restated profit for the year plus tax expense, interest income and finance cost.*
- *EBIT Margin is calculated as EBIT as a percentage of total income.*
- *EBITDA represents the restated profit before tax for the year plus finance cost, depreciation and amortization expenses.*
- *EBITDA Margin represents EBITDA as a percentage of total income.*
- *PAT Margin is calculated as PAT as a percentage of revenue from operations.*
- *Return on Equity (in %) is calculated as profit after tax for the year divided by average equity.*
- *RoCE (in %) is calculated as EBIT divided by capital employed.*

- *Net Financial Position (Net Debt) is calculated as (i) the sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities.*
- *Net Debt /EBITDA is calculated as Net Debt divided by EBITDA.*
- *Net Working Capital is calculated as current assets minus current liabilities.*
- *Operating Working Capital is calculated as trade receivables plus inventory minus trade payables.*

Six months ended September 30, 2023

KPIs	Company	Escorts Kubota Limited	Schaeffler India Limited	Sona BLW Precision Forgings Limited	Ramakrishna Forgings Limited	Happy Forgings Limited	Action Construction Equipment Limited
Revenue from Operations	9,610.27	53,074.00	35,228.00	15,188.49	18,738.27	6,729.00	13,248.50
Revenue growth (yoy)	NA	35.29%	6.23%	22.77%	22.97%	12.19%	33.89%
EBIT	450.96	7,021.10	6,138.00	3249.84	2,883.53	1,663.94	1,934.00
EBIT Margin (%)	4.64%	12.78%	16.00%	21.18%	15.32%	24.62%	14.24%
EBITDA	661.45	8,147.10	7,202.00	4,294.54	4,063.97	1,980.47	2,040.40
EBITDA Margin (%)	6.81%	14.83%	19.10%	27.99%	21.59%	29.31%	15.02%
PAT	249.37	5,081.20	4,567.00	2,360.97	1,607.24	1,192.99	1,415.10
PAT Margin (%)	2.59%	9.57%	12.96%	15.54%	8.58%	17.73%	10.68%
ROE (%)	7.12%	6.04%	10.56%	9.87%	11.21%	11.41%	14.39%
ROCE (%)	8.14%	8.07%	13.97%	13.69%	9.05%	12.00%	17.32%
Net Financial Position (Net Debt)	(1,670.18)	4,694.10	12,536.00	(3,044.02)	(15,782.66)	(2,405.49)	320.30
Net Debt/EBITDA	(2.53)	0.58	1.74	(0.71)	(3.88)	(1.21)	0.16
Net Working Capital	1,512.95	35,647.10	NA	6,359.11	2,783.46	2,441.42	2,919.10
Operational Working Capital	2,111.53	10,676.10	NA	7,029.94	9,533.13	4,858.61	1,376.50
Market Price	NA	3,184.00	3,313.95	583.20	643.40	NA	688.90
Market Cap	NA	351,826.46	517,982.55	341,414.37	105,832.57	NA	82,036.41
Revenue by geographical split (%)							
Domestic	63.91%	NA	NA	NA	NA	NA	NA
Exports	36.09%	NA	NA	NA	NA	NA	NA
Revenues split by end market (%)							
Agricultural Equipment	45.08%	NA	NA	NA	NA	NA	NA
Construction Equipment	41.93%	NA	NA	NA	NA	NA	NA
Others	13.00%	NA	NA	NA	NA	NA	NA

Notes:

- *Financial information for our Company is derived from the Restated Consolidated Financial Information for the six months ended September 30, 2023.*
- *All the financial information for listed industry peer is on a consolidated basis and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges, as of and for the six months ended September 30, 2023, except Schaeffler India Ltd as of and for six months ended June 30, 2023.*
- *EBIT is calculated as restated profit for the year plus tax expense, interest income and finance cost.*
- *EBIT Margin is calculated as EBIT as a percentage of total income.*
- *EBITDA represents the restated profit before tax for the year plus finance cost, depreciation and amortization expenses.*
- *EBITDA Margin represents EBITDA as a percentage of total income.*

- *PAT Margin is calculated as PAT as a percentage of revenue from operations.*
- *Return on Equity (in %) is calculated as profit after tax for the year divided by average equity.*
- *RoCE (in %) is calculated as EBIT divided by capital employed.*
- *Net Financial Position (Net Debt) is calculated as (i) the sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities.*
- *Net Debt /EBITDA is calculated as Net Debt divided by EBITDA.*
- *Net Working Capital is calculated as current assets minus current liabilities.*
- *Operating Working Capital is calculated as trade receivables plus inventory minus trade payables.*

Financial year ended March 31, 2024

KPIs	Company	Escorts Kubota Limited	Schaeffler India Limited	Sona BLW Precision Forgings Limited	Ramakrishna Forgings Limited	Happy Forgings Limited	Action Construction Equipment Limited
Revenue from Operations	17,889.65	88,496.20	72,509.10	31,847.70	39,548.83	13,582.36	29,138.00
Revenue growth (yoy)	4.43%	4.99%	5.58%	19.95%	23.87%	13.51%	34.92%
EBIT	1,068.57	14,147.40	12,180.40	6,971.04	6,106.99	3,361.64	4,571.10
EBIT Margin (%)	5.91%	15.30%	16.51%	21.73%	15.33%	24.51%	15.28%
EBITDA	1,499.95	15,816.40	14,410.50	9,173.29	8,682.69	4,008.92	4,803.50
EBITDA Margin (%)	8.30%	17.10%	19.54%	28.59%	21.79%	29.23%	16.06%
PAT	625.63	10,490.80	8,990.20	5,177.76	3,414.35	2,429.84	3,282.00
PAT Margin (%)	3.50%	11.85%	12.40%	16.26%	8.63%	17.89%	11.26%
ROE (%)	17.69%	12.08%	19.78%	20.96%	17.05%	18.69%	30.51%
ROCE (%)	19.35%	15.26%	25.63%	28.20%	15.19%	18.87%	36.92%
Net Financial Position (Net Debt)	(1,359.94)	8,582.30	13,521.30	(2,798.67)	(10,800.77)	1,629.09	982.00
Net Debt/EBITDA	(0.91)	0.54	0.94	(0.31)	(1.24)	0.41	0.20
Net Working Capital	1,389.61	39,995.60	27,010.10	7,429.95	8,205.56	4,999.11	3,482.00
Operational Working Capital	1,636.70	11,836.10	13,160.60	6,976.49	9,334.77	5,255.46	297.60
Market Price	NA	2,778.60	2,812.30	705.55	691.05	888.15	1,426.05
Market Cap	NA	307,030.47	439,572.81	413,768.23	124,925.38	83,668.07	169,818.59
Revenue by geographical split (%)							
Domestic	64.13%	95.00%	86.79%	38.00%	NA	80.00%	94.50%
Exports	35.87%	5.00%	13.21%	62.00%	NA	20.00%	5.50%
Revenues split by end market (%)							
Agricultural Equipment	45.05%	NA	NA	NA	NA	NA	NA
Construction Equipment	41.29%	NA	NA	NA	NA	NA	NA
Others	13.66%	NA	NA	NA	NA	NA	NA

Notes:

- *Financial information for our Company is derived from the Restated Consolidated Financial Information for the year ended March 31, 2024.*
- *All the financial information for listed industry peer is on a consolidated basis and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges, as of and for year ended March 31, 2024, except Schaeffler India Limited as of and for year ended December 31, 2023.*
- *EBIT is calculated as restated profit for the year plus tax expense, interest income and finance cost.*

- *EBIT Margin is calculated as EBIT as a percentage of total income.*
- *EBITDA represents the restated profit before tax for the year plus finance cost, depreciation and amortization expenses.*
- *EBITDA Margin represents EBITDA as a percentage of total income.*
- *PAT Margin is calculated as PAT as a percentage of revenue from operations.*
- *Return on Equity (in %) is calculated as profit after tax for the year divided by average equity.*
- *RoCE (in %) is calculated as EBIT divided by capital employed.*
- *Net Financial Position (Net Debt) is calculated as (i) the sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities.*
- *Net Debt /EBITDA is calculated as Net Debt divided by EBITDA.*
- *Net Working Capital is calculated as current assets minus current liabilities.*
- *Operating Working Capital is calculated as trade receivables plus inventory minus trade payables.*

Financial year ended March 31, 2023

KPIs	Company	Escorts Kubota Limited	Schaeffler India Limited	Sona BLW Precision Forgings Limited	Ramakrishna Forgings Limited	Happy Forgings Limited	Action Construction Equipment Limited
Revenue from Operations	17,131.45	84,286.90	68,674.20	26,550.10	31,928.95	11,965.29	21,596.80
Revenue growth (yoy)	14.41%	15.74%	23.50%	24.61%	37.61%	39.12%	32.53%
EBIT	853.75	8,478.60	11,805.90	5,260.32	4,946.36	2,925.02	2,440.40
EBIT Margin (%)	4.93%	9.73%	17.00%	19.58%	15.47%	24.33%	11.09%
EBITDA	1,248.11	9,979.20	13,870.50	7,040.36	6,962.76	3,466.85	2,620.40
EBITDA Margin (%)	7.20%	11.46%	19.97%	26.20%	21.78%	28.84%	11.91%
PAT	484.59	6,366.50	8,792.10	3,952.97	2,481.08	2,086.99	1,729.90
PAT Margin (%)	2.83%	7.55%	12.80%	14.89%	7.77%	17.44%	8.01%
ROE (%)	15.39%	8.07%	22.15%	18.43%	20.67%	23.50%	20.66%
ROCE (%)	16.30%	10.29%	27.43%	23.87%	17.86%	23.81%	26.18%
Net Financial Position (Net Debt)	(1,105.08)	2,989.20	15,005.90	(2,946.42)	(13,196.34)	(2,119.92)	749.83
Net Debt/EBITDA	(0.89)	0.30	1.08	(0.42)	(1.90)	(0.61)	0.29
Net Working Capital	1,611.48	31,685.40	25,753.90	7,514.51	3,801.88	2,326.92	2,486.12
Operational Working Capital	1,305.98	11,365.50	11,640.50	6,828.59	8,906.19	4,299.22	869.54
Market Price	NA	1,891.90	2,873.90	413.15	286.25	NA	407.05
Market Cap	NA	249,618.43	449,201.12	241,859.90	45,768.38	NA	48,472.81
Revenue by geographical split (%)							
Domestic	61.81%	93.00%	84.19%	42.00%	61.00%	87.00%	97.00%
Exports	38.19%	7.00%	15.81%	58.00%	39.00%	13.00%	3.00%
Revenues split by end market (%)							
Agricultural Equipment	49.37%	NA	NA	NA	NA	NA	NA
Construction Equipment	38.43%	NA	NA	NA	NA	NA	NA
Others	12.20%	NA	NA	NA	NA	NA	NA

Notes:

- *Financial information for our Company is derived from the Restated Consolidated Financial Information for the year ended March 31, 2023.*

- *All the financial information for listed industry peer is on a consolidated basis and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges, as of and for year ended March 31, 2023, except Schaeffler India Limited as of and for year ended December 31, 2022.*
- *EBIT is calculated as restated profit for the year plus tax expense, interest income and finance cost.*
- *EBIT Margin is calculated as EBIT as a percentage of total income.*
- *EBITDA represents the restated profit before tax for the year plus finance cost, depreciation and amortization expenses.*
- *EBITDA Margin represents EBITDA as a percentage of total income.*
- *PAT Margin is calculated as PAT as a percentage of revenue from operations.*
- *Return on Equity (in %) is calculated as profit after tax for the year divided by average equity.*
- *RoCE (in %) is calculated as EBIT divided by capital employed.*
- *Net Financial Position (Net Debt) is calculated as (i) the sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities.*
- *Net Debt/EBITDA is calculated as Net Debt divided by EBITDA.Net Working Capital is calculated as current assets minus current liabilities.*
- *Operating Working Capital is calculated as trade receivables plus inventory minus trade payables.*

Financial year ended March 31, 2022

KPIs	Company	Escorts Kubota Limited	Schaeffler India Limited	Sona BLW Precision Forgings Limited	Ramakrishna Forgings Limited	Happy Forgings Limited	Action Construction Equipment Limited
Revenue from Operations	14,975.43	72,826.50	55,605.10	21,306.40	23,202.47	8,600.45	16,295.80
Revenue growth (yoy)	-	3.82%	47.81%	36.03%	80.01%	47.03%	32.79%
EBIT	469.58	10,078.00	8,468.10	4,504.32	3,490.98	1,992.07	1,468.14
EBIT Margin (%)	3.09%	13.52%	15.03%	20.94%	15.05%	23.00%	8.95%
EBITDA	828.63	11,398.60	10,439.20	5,923.97	5,184.51	2,369.49	1,622.24
EBITDA Margin (%)	5.45%	15.27%	18.50%	27.54%	22.33%	27.36%	9.89%
PAT	224.26	7,356.10	6,291.20	3,615.43	1,980.27	1,422.85	1,050.00
PAT Margin (%)	1.50%	10.10%	11.31%	16.97%	8.53%	16.54%	6.44%
ROE (%)	7.93%	11.65%	18.52%	21.42%	20.20%	19.86%	16.43%
ROCE (%)	10.00%	13.20%	23.05%	25.82%	12.62%	17.45%	19.14%
Net Financial Position (Net Debt)	(1,122.35)	1,414.60	13,887.90	(1,489.35)	(15,882.38)	(3,389.44)	116.03
Net Debt/EBITDA	(1.35)	0.12	1.33	(0.25)	(3.06)	(1.43)	0.07
Net Working Capital	837.91	54,517.7	22,286.00	5,917.14	3,837.35	1,797.07	1,917.87
Operational Working Capital	650.21	7,454.30	9,682.50	5,895.90	9,915.44	3,617.88	1,093.84
Market Price	NA	1,691.40	1,950.60	679.15	157.50	NA	240.45
Market Cap	NA	223,164.34	304,885.94	396,863.14	25,182.60	NA	28,633.55
Revenue by geographical split							
Domestic	63.20%	94%	87.68%	39.00%	58.00%	89%	NA
Exports	36.80%	6%	12.32%	61.00%	42.00%	11%	NA
Agricultural Equipment	50.59%						
Construction Equipment	36.12%	NA	NA	NA	NA	NA	NA
Others	13.28%	NA	NA	NA	NA	NA	NA

Notes:

- *Financial information for our Company is derived from the Restated Consolidated Financial Information for the year ended March 31, 2022.*
- *All the financial information for listed industry peer is on a consolidated basis and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges, as of and for year ended March 31, 2022, except Schaeffler India Limited as of and for year ended December 31, 2021.*
- *EBIT is calculated as restated profit for the year plus tax expense, interest income and finance cost.*
- *EBIT Margin is calculated as EBIT as a percentage of total income.*
- *EBITDA represents the restated profit before tax for the year plus finance cost, depreciation and amortization expenses.*
- *EBITDA Margin represents EBITDA as a percentage of total income.*
- *PAT Margin is calculated as PAT as a percentage of revenue from operations.*
- *Return on Equity (in %) is calculated as profit after tax for the year divided by average equity at the end of the respective year.*
- *RoCE (in %) is calculated as EBIT divided by capital employed.*
- *Net Financial Position (Net Debt) is calculated as (i) the sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities.*
- *Net Debt /EBITDA is calculated as Net Debt divided by EBITDA.Net Working Capital is calculated as current assets minus current liabilities.*
- *Operating Working Capital is calculated as trade receivables plus inventory minus trade payables.*

I. Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken any acquisition or disposition of assets / business during the years that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

J. Weighted average cost of acquisition, Floor Price and Cap Price

(a) Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Our Company has not undertaken any Primary Issuances of its Equity Shares during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(b) Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group and/or any shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of this RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our 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), during the 18 months preceding the date of this RHP, 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-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Since there were no primary or secondary transactions of equity shares of the Company during the 18 months to report, the information has been disclosed for price per share of the Company based on the last five primary or secondary transactions where Promoter, members of the Promoter Group, Promoter Selling Shareholder or shareholder(s) having the right to nominate directors on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction, is as below:

Date of transfer	Details of transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Transfer price per Equity Share (₹)	Nature of consideration
July 3, 2024	Transfer from Carraro International S.E. to Carraro S.p.A.	1	10	10	Cash

[*] *As certified by J.C. Bhalla & Co., Chartered Accountants by their certificate dated December 16, 2024.*

(d) Weighted average cost of acquisition, floor price and cap price

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on Primary Issuances and Secondary Transactions as disclosed below:

Past transactions	Weighted average cost of acquisition per Equity Share (₹)[#]	Floor Price ₹[●][*]	Cap Price ₹[●][*]
Weighted average cost of acquisition of Primary Issuances	NA	NA	NA
Weighted average cost of acquisition of Secondary Transactions	NA	NA	NA
Note: Since there were no primary or secondary transactions of equity shares of our Company during the 18 months to report, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where Promoter, members of the Promoter Group, Promoter Selling Shareholder or shareholder(s) having the right to nominate directors on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction, is as below:			
Based on primary issuances	NA	NA	NA
Based on secondary transactions	10	[●]	[●]

[*] *To be updated at the Prospectus stage.*

[#] *As certified by J.C. Bhalla & Co., Chartered Accountants by their certificate dated December 16, 2024.*

(e) Justification for basis for Offer Price

(i) Detailed explanation for Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for the six months ended September 30, 2024 and September 30, 2023 and Fiscal 2024, 2023 and 2022

[●][*]

[*] *To be included on finalisation of Price Band.*

(ii) Explanation for the Offer Price/Cap Price, being [●] times of weighted average cost of acquisition of primary issuances/secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Offer.

[●][*]

[*]*To be included on finalisation of Price Band.*

(f) The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the Book Running Lead Managers, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "***Risk Factors***", "***Our Business***" and "***Restated Consolidated Financial Information***" beginning on pages 25, 195 and 350, 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***" beginning on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CARRARO INDIA LIMITED (FORMERLY KNOWN AS CARRARO INDIA PRIVATE LIMITED) ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

December 2, 2024

To

The Board of Directors
Carraro India Limited (formerly known as Carraro India Private Limited)
B2/2 MIDC Industrial Area,
Ranjangaon – 412220,
Pune, India

Dear Sirs,

Sub: Statement of possible Special Tax Benefits available to the Company and its equity shareholders under the direct and indirect tax laws

We refer to the proposed initial public offering of equity shares (the "**Offer**") of Carraro India Limited (formerly known as Carraro India Private Limited) (the **"Company"**). We enclose herewith the statement (the "**Annexure**") showing the current position of possible special direct and indirect tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including 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**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") including the rules, regulations, circulars and notifications issued thereunder (collectively the "**Taxation Laws**"), as presently in force and applicable to the financial year 2024-25 and relevant to the assessment year 2025-2026 for inclusion in the Red Herring Prospectus (**"RHP"**) and Prospectus (collectively, the "**Offer Documents**") for the Offer of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

Several of these benefits are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws including the Income-tax Act 1961. Hence, the ability of the Company and/or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer 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. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

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

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

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

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company and its shareholders in the Offer Documents for the Offer, which the Company intends to submit to the Securities and Exchange Board of India, the National Stock Exchange of India Limited and BSE Limited (the "**Stock Exchanges**") where the equity shares of the Company are proposed to be listed and Registrar of Companies, Maharashtra at Pune, as applicable, provided that the below statement of limitation is included in the Offer Documents.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the initial public offer relying on the statement. This statement has been prepared solely in connection with the proposed initial public offering of equity shares of the Company under the ICDR Regulations.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
(Membership No. 106388)
UDIN: 24106388BKCUDX2253

Place: Mumbai
Date: December 2, 2024

ANNEXURE ON THE STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO CARRARO INDIA LIMITED (FORMERLY KNOWN AS CARRARO INDIA PRIVATE LIMITED) AND ITS SHAREHOLDERS

The information provided below sets out the possible certain key direct tax benefits available to Carraro India Limited (formerly known as Carraro India Private Limited) ("**the Company**") and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the Income-tax Act, 1961 ("**the Act**").

Several of these benefits are dependent on the Company/ shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company/ shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives, the Company/ shareholders may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company/ shareholders will continue to obtain these benefits in present or future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

In view of the individual nature of the tax consequences and the changing tax laws, investors are advised to consult their own tax consultants with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising investors to invest money or not to invest money based on this statement.

The statement below covers only certain relevant direct tax benefits and does not cover any indirect tax benefits or benefits under any other law.

The statement outlined below is based on the provisions of the Act presently in force in India as applicable for Financial Year ("**FY**") ending 31 March 2025 relevant to the Assessment Year ("**AY**") 2025-26.

I. POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

1. Lower corporate tax rate under section 115BAA of the Act:

As per section 115BAA of the Act as inserted vide the Taxation Laws (Amendment) Act, 2019 with effect from FY 2019-20 relevant to AY 2020-21, a domestic company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus surcharge of 10% and cess of 4%) provided the company does not avail of specified exemptions/ incentives/ deductions or set-off of losses/ unabsorbed depreciation etc. claims depreciation in the prescribed manner and complies with the other conditions specified in section 115BAA of the Act.

In case a company opts for section 115BAA of the Act, the provisions of Minimum Alternate Tax ("MAT") under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off.

The option needs to be exercised in the prescribed manner qua a particular AY on or before the due date of filing the income-tax return for such AY. The option once exercised shall apply to subsequent AYs and cannot be subsequently withdrawn for the same or any other AY. Further, if the conditions mentioned in section 115BAA of the Act are not satisfied in any AY, the option exercised shall become invalid in respect of such AY and subsequent AYs, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The Company had opted to avail the benefit of above stated lower tax regime and pays tax at the rates prescribed under section 115BAA.

2. Deductions from Gross Total Income

Deduction in respect of employment of new employees – section 80JJAA of the Act:

As per section 80JJAA of the Act, while computing income under the head business and profession in case of an assessee to whom section 44AB (i.e., tax audit) applies, a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the FY, shall be allowed for three AYs including the AY relevant to the FY in which such employment is provided. The Company is

entitled to claim such deduction subject to fulfilment of conditions specified under section 80JJAA of the Act even under the concessional regime under section 115BAA of the Act.

Deduction in respect of inter-corporate dividends – section 80M of the Act:

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Act, section 80M inter alia provides that where the gross total income of a domestic company in any FY includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of the said section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the "due date". For the purposes of the section, "due date" means the date one month prior to the date for furnishing the income-tax return under section 139(1) of the Act.

The Company is entitled to claim such deduction subject to fulfilment of conditions specified under section 80M of the Act even under the concessional regime under section 115BAA.

II. POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

As per section 194 of the Act, the Company is required to deduct tax at source from the amount of dividend paid to shareholders, except in the case of certain categories of shareholders as specified in the said section which inter alia include individual shareholders receiving dividend not exceeding INR 5,000 (in aggregate during a FY) by any mode other than cash. The shareholders would be entitled to take credit of the Tax Deducted at Source by the Company against the taxes payable by them on dividend income.

Further, as discussed above, subject to fulfillment of conditions, deduction shall be available under section 80M of the Act to domestic corporate shareholders in respect of inter-corporate dividends.

Section 195 of the Act would be applicable for taxability of non-resident shareholders in respect of receipt of dividend income in India.

Section 2(42A) of the Act provides that securities (other than units) listed in a recognized stock exchange in India that are held for not more than 12 months immediately preceding the date of its transfer, shall constitute short-term capital assets.

As per Section 111A of the Act, short term capital gains arising from the transfer of an equity share in a company transacted through a recognized stock exchange and chargeable to Securities Transaction Tax ('STT') shall be taxed at 15% (plus applicable surcharge and cess) for transfers before 23 July 2024 and at 20% (plus applicable surcharge and cess) for transfers after 23 July 2024 (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) subject to fulfilment of prescribed conditions under the Act.

Further, as per section 112A of the Act, long-term capital gains exceeding INR 1,25,000 arising from the transfer of equity shares in a company transacted through a recognized stock exchange on which STT has been paid on acquisition (except in certain situations) and on transfer, shall be chargeable to tax at the rate of 12.5% (plus applicable surcharge and cess) without applying the benefit under the first and second provisos to section 48 of the Act. However, the rate of 10% (plus applicable surcharge and cess) will be applicable with respect to transfer done prior to July 23, 2024. For transfer done on or after July 23, 2024, the long term capital gain would be taxed at the rate of 12.5% (plus applicable surcharge and cess) without any indexation benefits.

The condition of STT shall not apply to a transfer undertaken on a recognized stock exchange located in any IFSC and where the consideration for such transaction is received or receivable in foreign currency.

The Finance Act, 2023 had amended section 115BAC of the Act (further revised by Finance Act 2024) to provide that with effect from FY 2023-24 relevant to AY 2024-25, Individuals, HUF, Association of Persons (other than a co-operative society), Body of Individuals and Artificial Juridical Person will be taxed on its total income at the reduced tax rates ('New Tax Regime'). The income would however have to be computed without claiming prescribed deductions or exemptions.

Such person will however have the option to be taxed on its total income as per the tax rates under the old tax regime. The option is required to be exercised – (i) on or before the due date specified under section 139(1) of the Act for furnishing the income-tax return for such AY, in case of a person having income from business or profession and such option once exercised shall apply to subsequent AYs; or (ii) along with the income-tax return to be furnished under section 139(1) of the Act for every AY in case of a person not having income from business or profession.

A person having income from business or profession who has exercised the option of shifting out of the New Tax Regime shall not be able to exercise the option of opting back to the New Tax Regime till he has business income. However, a person not having income from business or profession shall be able to exercise this option every year.

Notes:

1. This statement does not discuss any tax consequences arising in a country outside India pursuant to an investment in the shares of the Company. The shareholders in the country outside India are advised to consult their own professional advisors regarding the possible tax consequences that apply to them in such country outside India.

2. In respect of non-resident shareholders, the taxation and tax rates discussed above may be further subject to any benefit available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile. Applicability of DTAA benefit shall be subject to furnishing of relevant documents/declarations viz. tax residency certificate, Form 10F, etc. by the non-resident shareholders.

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 is subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE ON STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY

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, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax").

I. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special indirect tax benefits available to the Company.

II. SPECIAL INDIRECT TAX BENEFITS FOR SHAREHOLDERS OF THE COMPANY

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

- The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
- The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time and that department may take a view contrary to that indicated above.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) of an investment in the Equity Shares. This summary applies only to U.S. Holders that acquire Equity Shares in exchange for cash in the Offer, hold Equity Shares as capital assets within the meaning of Section 1221 of the Code (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this Red Herring Prospectus, including the Internal Revenue Code of 1986, as amended (the "**Code**"), and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this Red Herring Prospectus, as well as judicial and administrative interpretations thereof available on or before such date. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**"). All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this Red Herring Prospectus are not binding on the IRS or any court, and thus we can provide no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- individual retirement accounts and other tax-deferred accounts;
- broker-dealers;
- traders that elect to mark to market;
- tax-exempt entities;
- persons liable for alternative minimum tax or the Medicare contribution tax on net investment income;
- U.S. expatriates;
- persons holding Equity Shares as part of a straddle, hedging, constructive sale, wash sale, conversion or integrated transaction;
- persons that actually or constructively own 5% or more of the Company's stock by vote or value;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Equity Shares being taken into account in an applicable financial statement;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding Equity Shares through partnerships or other pass-through entities.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares generally will depend on such partner's status, and the activities of the partnership and certain determinations made at the partner level. A U.S. Holder that is a partner in such partnership should consult its tax advisor.

Dividends and Other Distributions on Equity Shares

Subject to the passive foreign investment company considerations discussed below, the gross amount of distributions made by the Company with respect to Equity Shares (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income in the year received, to the extent such distributions are paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the kind of dividends received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders may be "qualified dividend income," which is taxed at the lower applicable capital gains rate, provided that (1) the Company is eligible for the benefits of the Treaty, (2) the Company is not a passive foreign investment company (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to Equity Shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time.

A U.S. Holder may be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable non-U.S. income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by our Company generally will constitute foreign source income in the "passive category income" basket. However, there are significant complex limitations on a U.S. Holder's ability to claim such a credit or deduction, and U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

Sale or Other Taxable Disposition of Equity Shares

Subject to the passive foreign investment company considerations discussed below, upon a sale or other taxable disposition of Equity Shares, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in such Equity Shares, in each case as

determined in U.S. dollars. Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations.

Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. If any Indian tax is imposed on the sale or other disposition of the Equity Shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Indian tax. Any Indian securities transaction tax will likely not be treated as a creditable foreign tax for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors regarding the tax consequences if Indian taxes are imposed on a taxable disposition of Equity Shares and their ability to credit any Indian tax against their U.S. federal income tax liability.

If the consideration received upon the sale or other disposition of Equity Shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of taxable disposition. The Company expects that the Equity Shares will be listed on the National Stock Exchange of India Limited and BSE Limited. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis taxpayer that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the sale date and the settlement date, and such exchange gain or loss generally will constitute U.S.-source ordinary income or loss.

A U.S. Holder's initial tax basis in Equity Shares generally will equal the cost of such Equity Shares. If a U.S. Holder used foreign currency to purchase the Equity Shares, the cost of the Equity Shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, the U.S. Holder will determine the U.S. dollar value of the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be classified as a PFIC for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, gross income generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources and passive income includes interest, dividends and other investment income, with certain exception. The PFIC rules also contain a look-through rule whereby a corporation will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Under the PFIC rules, if we were considered a PFIC at any time that a U.S. Holder holds the Equity Shares, we would continue to be treated as a PFIC with respect to such investment unless (i) we ceased to be a PFIC and (ii) the U.S. Holder made a "deemed sale" election under the PFIC rules.

Based on the ownership and the current and anticipated composition of our income, assets (including their expected value) and operations and the expected price of the Equity Shares in this offering, we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. Whether we are treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of our income and assets, as well as the value of the assets (which may fluctuate with our market capitalization), from time to time. Moreover, the application of the PFIC rules is unclear in certain respects. The IRS or a court may disagree with our determinations, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules. Therefore, there can be no assurance that we will not be classified as a PFIC for the current taxable year or for any future taxable year.

If we were a PFIC for any taxable year during which a U.S. Holder held Equity Shares, gain recognized by the U.S. Holder on a sale or other disposition (including certain pledges) of the Equity Shares, as well as the amount of any "excess distribution" (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder's holding period for the Equity Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax. For the purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on Equity Shares exceeds 125% of the average of the annual distributions on the Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as "mark-to-market" or "qualified electing fund" treatment) of the Equity Shares if the Company is considered a PFIC. However, we cannot provide any assurance that the requirements for a mark-to-market election will be met with respect to Equity Shares or that we would furnish U.S. Holders annually with certain tax information that is necessary for U.S. Holders to make a qualified electing fund election.

If we are considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in Equity Shares.

Information Reporting and Backup Withholding

Distributions with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional Information Reporting Requirements

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of U.S. $50,000 (and in some circumstances, a higher threshold) may be required to report information relating to the Equity Shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold the Equity Shares, subject to certain exceptions (including an exception for the Equity Shares held in accounts maintained by U.S. financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of the Equity Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN Equity Shares UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from a report titled "Strategic Analysis of the Indian Agricultural Tractor and Construction Vehicle Component Market" dated December 5, 2024, which is exclusively prepared for the purposes of the Offer and issued by Markets and Markets Research Private Limited ("**Markets and Markets**") and is commissioned and paid for by our Company ("**Markets and Markets Report**"). Markets and Markets was appointed on May 15, 2024 by our Company. We commissioned and paid for the Markets and Markets Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the Markets and Markets Report. The Markets and Markets Report is available on the website of our Company at https://www.carraroindia.com/investors/investor-information/other-documents from the date of this Draft Red Herring Prospectus until the Bid/Offer Closing Date, and has also been included as a document for inspection in "**Material Contracts and Documents for Inspection**" on page 488. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Forecasts, estimates, predictions, and other forward-looking statements contained in the Markets and Markets Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding an investment in the Equity Shares, the investors should conduct its own investigation and analysis of all facts and information contained in this Draft Red Herring Prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. Unless otherwise indicated, financial, operational, industry and other related information derived from the Markets and Markets Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Unless otherwise stated, references in this section to "FY" are to the 12-month period ended March 31 of that year and references to "CY" are to the relevant calendar year.*

MACROECONOMIC OVERVIEW

Global Macroeconomic Overview

According to the World Economic Outlook, as published by International Monetary Fund ("**IMF**") in its October 2024 edition, the global economy will remain stable, with growth projected to remain at 3.2% between CY2024 and CY2025.

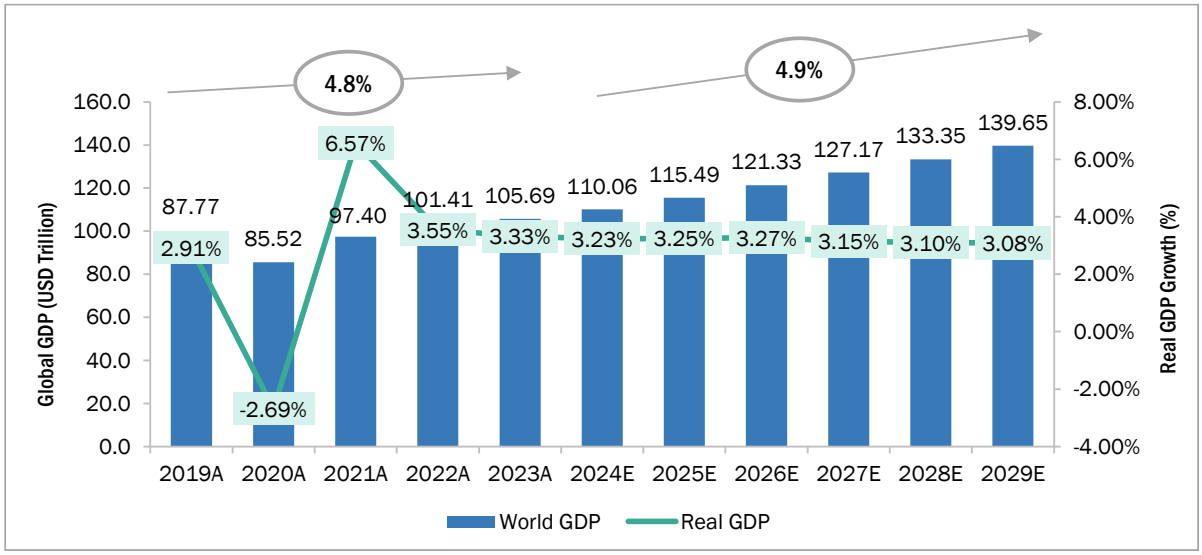
The advanced economies are expected to see a slight acceleration in growth, while the emerging markets and developing economies are expected to experience stable growth driven by countries such as India and China. The global economic outlook remains cautiously optimistic, with expectations of gradual stabilization and growth as countries adapt to new economic realities.

Shifts in the global economy have significantly impacted key sectors, including automotive, technology, and agriculture. International trade policies, currency exchange rates, and global supply chains play crucial roles in the automotive industry. For instance, fluctuations in tariffs and trade agreements can affect production costs and market access, while technological advancements and consumer demand shifts drive innovation and competition in the sector. Understanding global economic influences is crucial for automotive industry stakeholders to make informed decisions and remain competitive.

Global GDP and Economic Trends

Global GDP trends over the past decade reveal a dynamic and evolving economic landscape. The Covid-19 pandemic caused a significant contraction in global GDP in CY2020, but recovery efforts have led to a rebound. Emerging markets, especially India and China, have increasingly contributed to global economic growth, while advanced economies have experienced slower growth rates.

Global Nominal and Real GDP



Source: World Economic Outlook and IMF. Note: A- Actuals, E – Estimated, Data is given as per calendar year

Real GDP Growth in Key Economies

	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	2029E
China	5.95%	2.24%	8.45%	2.95%	5.25%	4.82%	4.48%	4.10%	3.58%	3.37%	3.29%
Germany	0.99%	-4.10%	3.67%	1.37%	-0.26%	0.01%	0.79%	1.40%	1.15%	0.85%	0.74%
India	3.87%	-5.78%	9.69%	6.99%	8.15%	7.02%	6.46%	6.47%	6.48%	6.49%	6.50%
Japan	-0.40%	-4.17%	2.71%	1.16%	1.68%	0.32%	1.14%	0.84%	0.65%	0.64%	0.52%
Russia	2.20%	-2.65%	5.87%	-1.25%	3.65%	3.63%	1.35%	1.20%	1.20%	1.20%	1.20%
United States	2.58%	-2.16%	6.06%	2.51%	2.89%	2.77%	2.15%	2.03%	2.12%	2.12%	2.12%

Source: World Economic Outlook and IMF. Note: A – Actuals, E – Estimated. Data is given as per calendar year.

Indian Macroeconomic Overview

The Indian economy has been resilient in the face of global challenges over the last three fiscal years and is expected to perform consistently going forward. The government's focus on structural reforms, including initiatives to improve the ease of doing business, attract foreign investment, and boost domestic manufacturing, is expected to support long-term growth prospects.

India ranks fifth in the world in terms of nominal gross domestic product ("**GDP**") for CY2023 and is the third-largest economy in the world in terms of purchasing power parity ("**PPP**"). India is expected to be an approximately USD 5.3 trillion economy by CY2027 and is estimated to be the third-largest economy, surpassing Germany and Japan. As per IMF's World Economic Outlook, India ranked first in terms of real GDP growth rate forecast for CY2024, among the major economies, with an annual growth rate of 7.0% as compared to 2.8% for the US, 4.8% for China, and 3.6% for Russia.

Key drivers include recovering private consumption, especially in rural India. The pace of India's economic recovery continues to be influenced by various domestic and global factors, including the effectiveness of policy measures, international trade dynamics, and geopolitical developments.

Indian GDP and Economic Trends

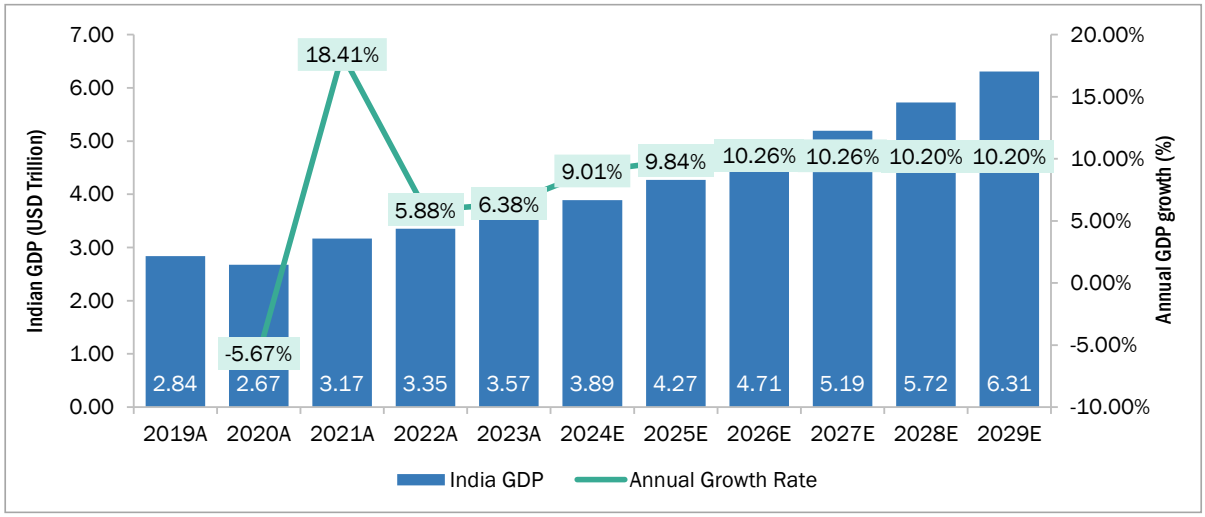
India has been resilient amidst the volatility in the global economy, retaining its position as the world's fifth-largest economy. Real Gross Value Added ("**GVA**") is estimated to grow by 7.2% in FY2024 compared to 6.7% in FY2023. This growth could be attributed to the Manufacturing sector's strong performance with a 9.9% growth in FY2024 and a 7.1% growth registered by the Mining and Quarrying sector.

Following a contraction in CY2020 caused by the pandemic, Indian GDP witnessed a rebound driven by various factors such as pent-up demand, easing of restrictions, and government stimulus.

The growth in GDP is expected to continue, with the nominal GDP expected to cross the USD 5 trillion mark by CY2027. The pace of recovery has been uneven across sectors, with specific segments experiencing more

substantial growth than others. Inflationary pressures, supply chain disruptions, and global economic uncertainties remain areas of concern for most critical sectors.

India Nominal GDP



Source: World Economic Outlook and IMF. Note: A- Actuals, E – Estimated. Data is given as per calendar year.

India has relatively moderate inflation rates, typically ranging between 4-6%, with occasional spikes due to temporary supply-side disruptions. The outlook for inflation is cautiously optimistic, supported by stable fiscal and monetary policies, despite potential risks from volatile oil prices and supply chain challenges.

India's consumer-driven economy is also witnessing a significant shift as younger generations increasingly prioritize investing in technology. With rising disposable incomes and a tech-savvy mindset, this demographic is driving demand for gadgets, digital services, and innovative tech products. From smartphones and smart home devices to subscription-based services and online entertainment platforms, technology is becoming a cornerstone of consumer spending patterns. This trend is reshaping traditional sectors like automotive, retail, entertainment, and telecommunications, with companies adapting their offerings to cater to the evolving preferences of the younger demographic. As India's economy continues to evolve, the focus on technology-driven consumption is likely to accelerate, presenting both opportunities and challenges for businesses to meet the demands of this dynamic consumer base.

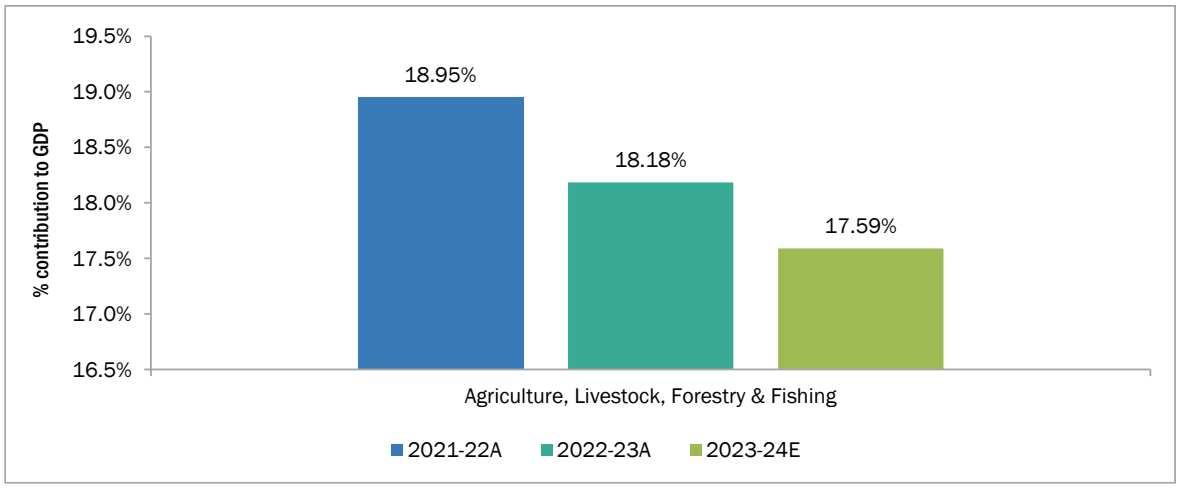
The effectiveness of policy responses, including monetary and fiscal measures, will continue to play a crucial role in shaping India's GDP trajectory in the coming months. Additionally, structural reforms aimed at enhancing competitiveness, improving ease of doing business, and fostering inclusive growth will be essential for sustaining and accelerating India's economic recovery in the post-pandemic era.

Performance of Key Indian Sectors

India's economy constitutes a diverse and dynamic industry landscape, with the presence of diverse sectors. Key sectors include automotive, agriculture, construction, infrastructure, manufacturing, and services.

Agriculture: Agriculture remains a critical sector in India, supporting a large portion of the population and contributing significantly to GDP. The sector holds 18% share of GDP. While the sector has shown resilience, challenges such as fragmented landholdings, water scarcity, low productivity, and farmer indebtedness persist.

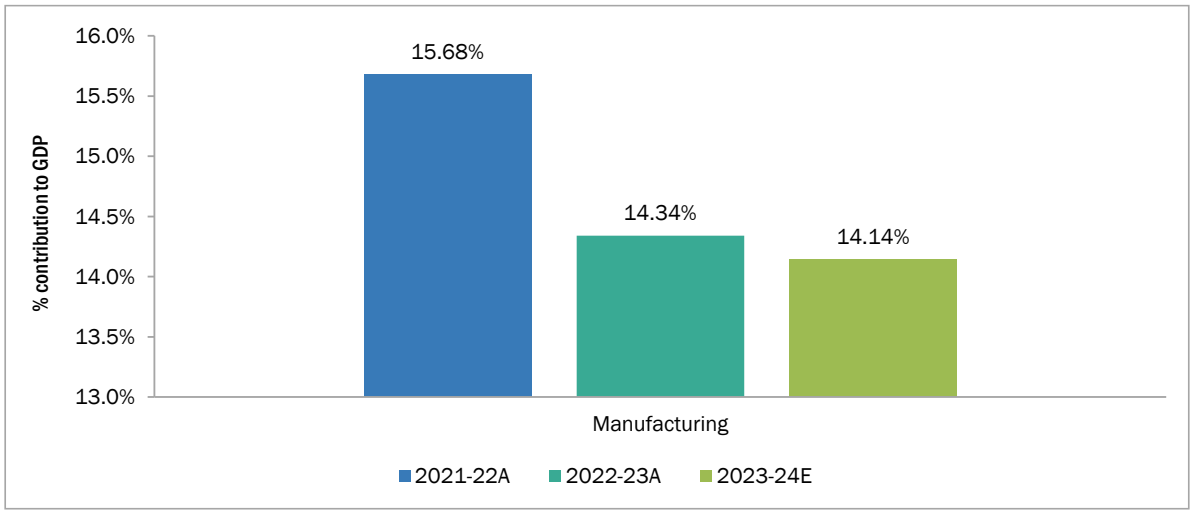
Indian Agriculture Sector, GDP Contribution



Source: Press Information Bureau and Government of India. Note: A- Actuals, E – Estimated. Data is given as per financial year.

Manufacturing: India's manufacturing sector encompasses various industries such as automobiles, textiles, chemicals, and electronics. The manufacturing sector is expected to account for a 14.1% share of GDP in FY2023-24. However, with an expected growth rate of 7.5%, the sector's share of GDP could potentially increase to 20% by FY2030-31.

Indian Manufacturing Sector, GDP Contribution



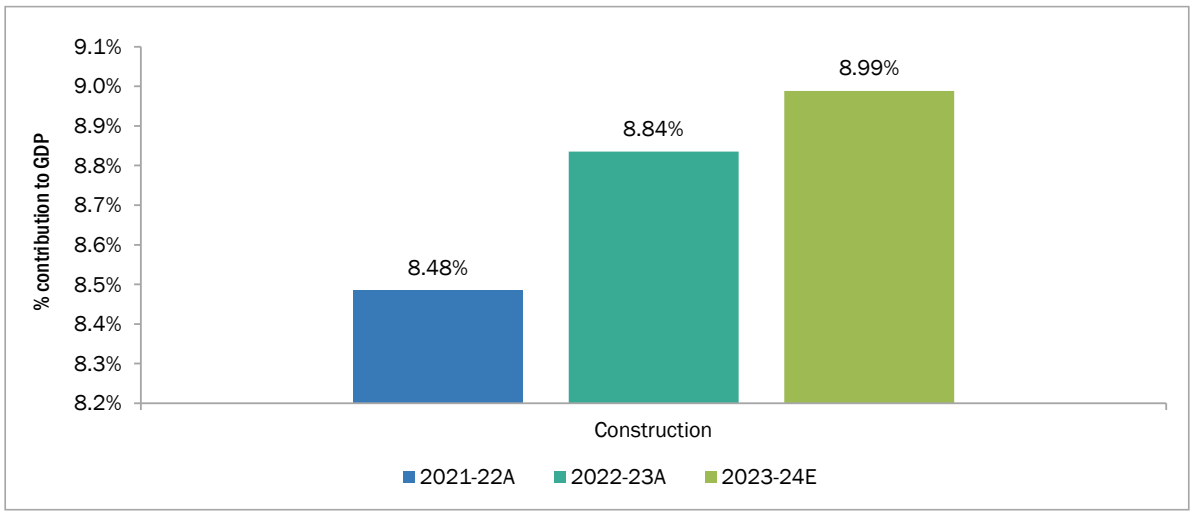
Source: Press Information Bureau and Government of India. Note: A- Actuals, E – Estimated. Data is given as per financial year.

Automotive industry: After a decline during the Covid-19 pandemic, the automotive sector in India has witnessed growth during FY2024, driven by factors such as rising disposable incomes, urbanization, government initiatives, and the promotion of electric vehicles. However, the sector has also faced challenges such as supply chain disruptions, changes in consumer preferences, and regulatory uncertainties, particularly regarding emission norms and vehicle safety standards.

The automotive industry was estimated to grow by 12.5% y-o-y in FY2024 driven by strong consumer sentiments and favorable government policies.

Construction and Infrastructure industry: The construction and infrastructure sectors play a vital role in India's economic development, with projects across transportation, housing, energy, and urban development. Despite government efforts to boost infrastructure spending through initiatives such as the National Infrastructure Pipeline, the sector has faced challenges such as delays in project implementation, financing constraints, and regulatory hurdles.

Indian Construction Sector, GDP Contribution



Source: Press Information Bureau and Government of India. Note: A- Actuals, E – Estimated. Data is given as per financial year.

OFF-HIGHWAY MARKET OVERVIEW AND OUTLOOK

The report encompasses the study of the manufacturing sector for construction vehicle components and tractors as the off-highway market. The global off-highway market encompasses construction vehicles and agricultural equipment segments. This segmentation is analyzed in both global and Indian contexts to provide a comprehensive understanding of the sector.

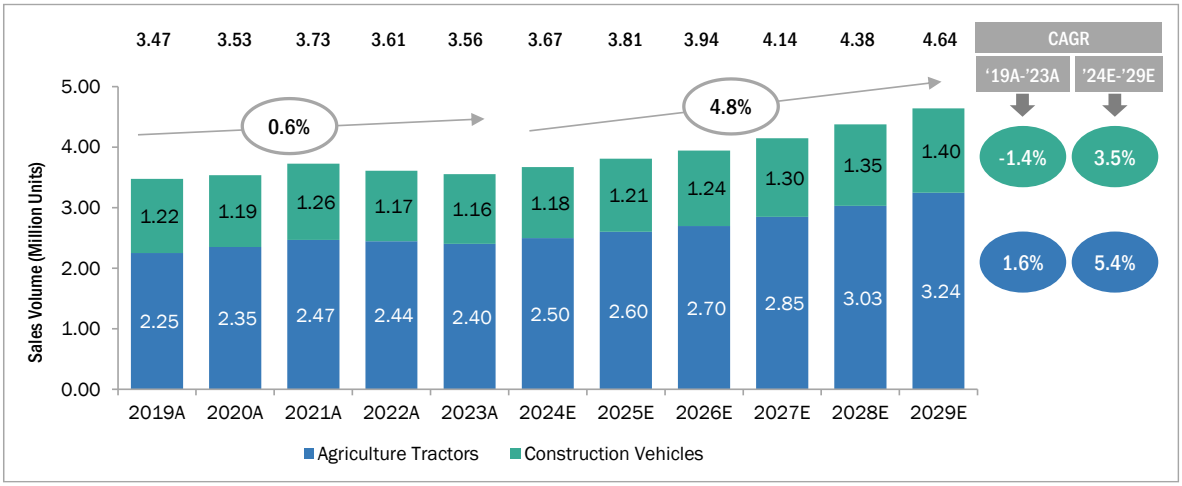
Global Off-Highway Market

The global off-highway market has been registering steady growth post-Covid-19 pandemic driven by a support in construction activities and innovation in agricultural and industrial equipment segments. Trends such as sustainability and energy efficiency in agricultural equipment and construction vehicles, compact vehicles, farm mechanization amongst others are expected to drive the off-highway equipment market in the short- to mid-term.

Global Off-Highway Market Outlook

The global off-highway vehicle sales grew unhindered until CY2019. However, sales declined to 3.55 million units in CY2020 due to the Covid-19 pandemic. Sales rebounded in CY2021, reaching 3.73 million units. Despite the market experiencing another downturn in CY2022, dropping to 3.61 million units, it returned to pre-Covid-19 pandemic levels in CY2023, reaching 3.56 million units. Off-highway vehicle sales in Western markets such as the US and Europe has decreased in the six months ended September 30, 2024 due to weaker macro-economic conditions, and the CY2024 sales is expected to remain relatively flat.

Global Off Highway Vehicle Sales Market Size, by Sector and Volume



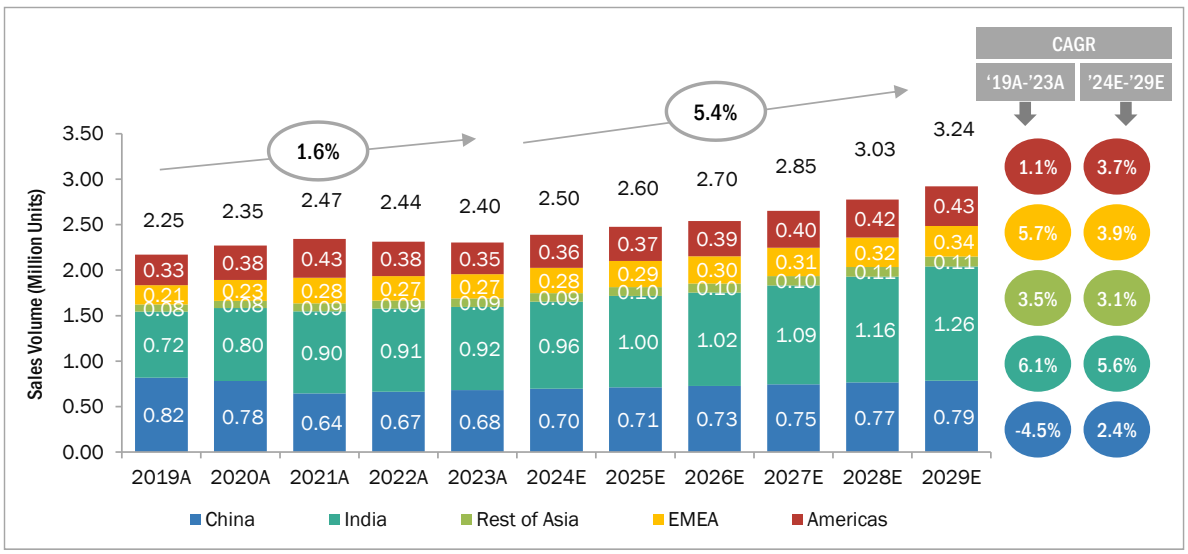
Source: Country Equipment Manufacturers/Construction Associations, Country Agricultural Equipment Associations, and Markets and Markets analysis. Note: The off-highway vehicles include construction vehicles (excavators, loaders, dozers, motor graders, soil compactors, telehandlers, and dump trucks) and agricultural tractors. A – Actuals; E – Estimated. Data is given as per calendar year and is exclusive of exports.

The global off-highway market encompasses construction vehicles and agricultural equipment. Within this sector, agricultural equipment, driven primarily by tractor sales, holds a dominant position.

Agricultural tractor sales accounted for approximately 68% of total off-highway vehicle sales in CY2023, a trend expected to persist through the forecast period.

Global sales of construction vehicles and agricultural tractors are projected to increase from 3.56 million units in CY2023 to 4.64 million units by CY2029. The promising growth in agriculture sector is expected to be driven by factors such as global population growth, rise in mechanized agriculture, urbanization, and favorable government policies supporting agricultural mechanization.

Global Agricultural Tractor Sales Market Size, by Region and Volume



Source: Country Agricultural Equipment Associations and Markets and Markets analysis. Note: EMEA includes Europe and South Africa only. In the Middle East, there are limited/no sales of agricultural tractors. A – Actuals; E – Estimated. Data is given as per calendar year and is exclusive of exports.

Global Agricultural Tractor Market

The global agricultural tractors market is expected to expand from 2.50 million units in CY2024 to 3.24 million units by CY2029, achieving a projected CAGR of 5.4%. This anticipated growth is primarily driven by the

increasing adoption of farm mechanization worldwide, which is being fueled by favorable government policies and schemes. Farm tractors have major share in the agricultural equipment market.

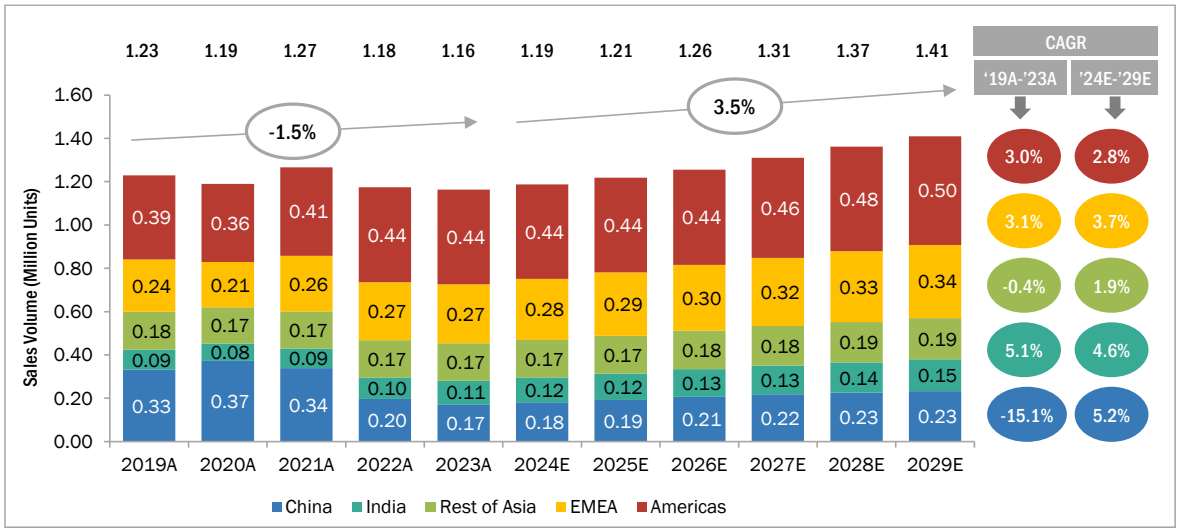
Farm mechanization encompasses the use of various equipment, such as tractors, combine harvesters, balers, and sprayers, to enhance agricultural productivity. By incorporating these advanced technologies, farmers can reduce labor-intensive tasks, save time, lower production costs, minimize post-harvest losses, and ultimately increase crop yields and farm income. Asia, which includes the major markets of China and India, leads agricultural tractor adoption.

In terms of global tractor sales, Asia (including China, India, and the Rest of Asia) accounted for approximately 38% in CY2023 while Americas accounted for 15%. From a country perspective, India had the largest share of tractor sales at approximately 38%, followed by the China with approximately 28%. India is expected to retain its share during the forecast period. This trend is projected to continue throughout the forecast period, further solidifying Asia's position as the leading market for agricultural tractors.

The global agricultural sector is increasingly vulnerable to changes in climate and weather patterns, including increased frequency of extreme weather events, shifting precipitation patterns, and rising temperatures, which could lead to reduced crop yields and disrupted farming practices, and in turn adversely affect the global agricultural tractor sales.

Global Construction Vehicle Market

Global Construction Vehicle Sales Market Size, by Region and Volume



Source: Country Equipment Manufacturers/Construction Associations and Markets and Markets analysis. Note: Construction vehicles (excavators, loaders, dozers, motor graders, soil compactors, telehandlers, and dump trucks. For Construction vehicle, Africa comprises of South Africa. A – Actuals; E – Estimated. Data is given as per calendar year and is exclusive of exports.

The global construction vehicle market is projected to experience robust growth, expanding from an estimated 1.19 million units in CY2024 to 1.41 million units by CY2029, representing a CAGR of 3.5%. Advancements in autonomous machinery, infrastructure development projects, and a focus on energy-efficient construction practices are propelling market growth.

Overall, the global construction vehicle market is expected to grow robustly, with China, India and Rest of Asia driving global growth. India is expected to be a key contributor to this growth, with its construction vehicle market anticipated to grow from 0.12 million units in CY2024 to 0.15 million units by CY2029, at a CAGR of 5.0%.

Despite the significant opportunities presented by the global construction market, several challenges persist. Regulatory complexities, labor shortages, and financing constraints pose obstacles to growth and innovation within the industry. To address these challenges and capitalize on opportunities, stakeholders in the global construction industry must remain adaptable and forward-thinking. Proactive measures such as developing resilient supply chains and embracing digital transformation are crucial for ensuring the long-term viability and sustainability of the global construction industry amidst evolving economic, social, and environmental landscapes.

Indian Off-Highway Market

The India off-highway vehicles comprise construction vehicles and agricultural equipment (agricultural equipment includes tractors and harvesting equipment). According to the publications by Tractor Manufacturer's Association ("**TMA**") and Indian Construction Equipment Manufacturer's Association ("**ICEMA**"), the agricultural tractors sales are expected to increase by 5.2% whereas construction vehicle sales are expected to increase by 6.0% from CY2023 to CY2024. The sales of agricultural tractors and construction vehicle in India is estimated to increase by 5.3% from CY2023 to CY2024.

The factors influencing the sales of tractors include demand for farm mechanization, supporting government policies, technological advancements, better financing options, and others and for construction vehicles include increased infrastructure development, urbanization and real estate growth, growing rental and leasing market, technological advancements and others. Government policies impacting the agricultural tractors and construction vehicles industry, including those related to agricultural infrastructure and supply chain, self-reliant manufacturing, foreign direct investment, tax and environment policies also have a direct impact on vehicle supply and demand.

The Indian off-highway industry has undergone significant changes, with emerging technologies, climate change concerns leading to stringent emission regulations driving shifts in end-customer preferences. As a result, OEMs are now compelled to look beyond traditional purchasing factors like price, design, performance, brand image, and features and focus on new priorities such as fuel efficiency, environmental impact, and innovative features to meet evolving consumer demands.

The off-highway vehicles market comprising of agricultural equipment (tractors and harvesting equipment) and construction vehicles registered almost 17% y-o-y growth in CY2021. The industry had shown a prominent decline in CY2019 and CY2020 due to the general elections and the Covid-19 pandemic. The market continued to grow in CY2022 and CY2023, driven by infrastructure investment. The market is expected to grow in CY2024 and continue to grow steadily until CY2029.

According to the TMA and ICEMA, in CY2023, construction vehicle sales increased by 9.9% y-o-y while agricultural equipment (tractors and harvesting equipment) sales decreased by 3.0% y-o-y.

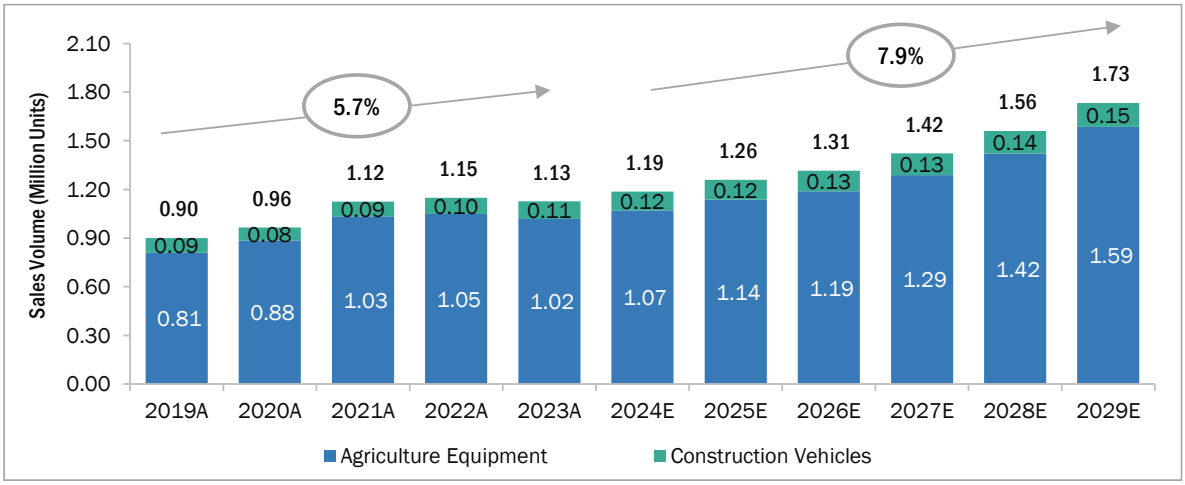
Agricultural tractors dominate the OHV equipment market with a 90% share in 2023, owing to the large number of small and marginal farmers who rely heavily on tractors for their farming operations. The increasing adoption of mechanized farming techniques and favorable government initiatives have further bolstered the demand for tractors.

Construction vehicles hold a market share of 10% in India total off-highway vehicles industry. The 2023-24 budget includes a 33% increase in capital investment for infrastructure, amounting to ₹ 10 lakh crore (USD 122 billion), equivalent to 3.3% of GDP. Additionally, ₹ 75,000 crores has been allocated in the budget for the development of 100 projects crucial for enhancing multimodal logistics infrastructure. These initiatives are expected to stimulate sales and increase demand for construction vehicles across India.

The factors influencing the sales of tractors include demand for farm mechanization, supporting government policies, technological advancements, better financing options, and others and for construction vehicles include increased infrastructure development, urbanization and real estate growth, growing rental and leasing market, technological advancements and others. Government policies impacting the agricultural tractors and construction vehicles industry, including those related to agricultural infrastructure and supply chain, self-reliant manufacturing, foreign direct investment, tax and environment policies also have a direct impact on vehicle supply and demand.

Below is the split of agricultural equipment (tractors and harvesting equipment) and construction vehicles in India.

Indian Off-Highway Vehicle Sales Market Size, by Segment and Volume



Source: TMA, ICEMA, Industry and Markets and Markets analysis. Note: The off-highway vehicles include construction vehicles (excavators, loaders, dozers, motor graders, soil compactors, telehandlers, and dump trucks) and agricultural tractors. A- Actuals, E – Estimated. Data is given as per calendar year and is exclusive of exports.

The off-highway equipment market experienced a significant 16-17% y-o-y growth in CY2021. This rebound came after the industry had shown a prominent decline in CY2019 and CY2020, largely attributable to the domestic general elections and the Covid-19 pandemic. The industry's resilience and the ongoing focus on infrastructure development are expected to drive this sustained growth in the coming years.

Indian Agriculture Market

Indian Agriculture Equipment Market

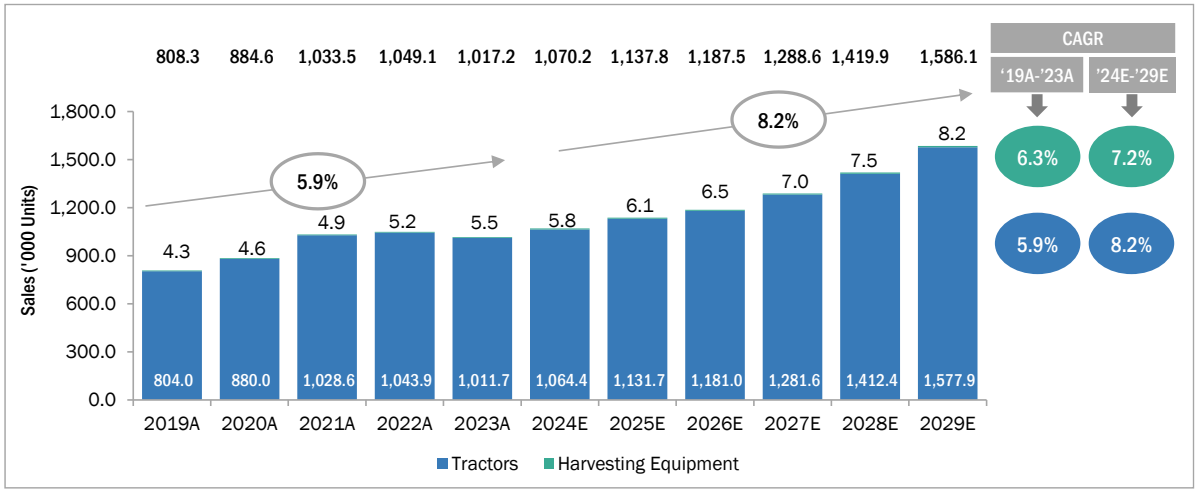
Indian Agriculture Market Equipment Market Overview

The Indian agricultural equipment market is expected to be driven by government initiatives. The Indian government's Minimum Support Price ("**MSP**") policy aims to ensure remunerative prices for agricultural produce, with the MSP fixed at a minimum of 1.5 times the cost of production to provide a reasonable profit to farmers, further incentivizing the adoption of modern farm equipment and contributing to the thriving tractor market in the country. The Indian government has announced several key initiatives in the Interim Budget FY2024-2025 to support the agricultural equipment market and promote mechanization in the sector:

- Allocation of ₹ 1,27,470 crore to the Ministry of Agriculture
- Raising the agriculture credit target to ₹ 20 lakh crore, emphasizing welfare initiatives for farmers
- Focus on research to develop high-yielding varieties of oilseeds.
- Establishment of five integrated aquaparks under the PM-Matsya Sampada Yojana to boost aquaculture productivity and double exports to ₹ 1 lakh crore.

The initiatives aim to enhance agricultural productivity in India by fortifying agricultural value chains, encouraging the adoption of cutting-edge technologies, and providing financial support to farmers and agri-startups. This integrated approach is expected to drive growth in the agricultural equipment market and improve overall agricultural productivity in the country.

Indian Agriculture Equipment Sales Market Size, by Volume



Source: TMA, Industry and Markets and Markets analysis. Note: A-Actuals, E-Estimated. Agriculture Equipment includes tractors and harvesting equipment. Data is given as per calendar year and is inclusive of domestic sales and export.

India has the world's largest tractor market, consuming 35-40% of all tractors sold globally. India has emerged as a leading global producer of tractors, with annual sales exceeding 1,011.70 thousand units in CY2023 and projected to reach 1,577.91 thousand units by CY2029. Adopting appropriate equipment for agriculture can increase productivity by up to 30% in India while simultaneously reducing input costs by 20%.

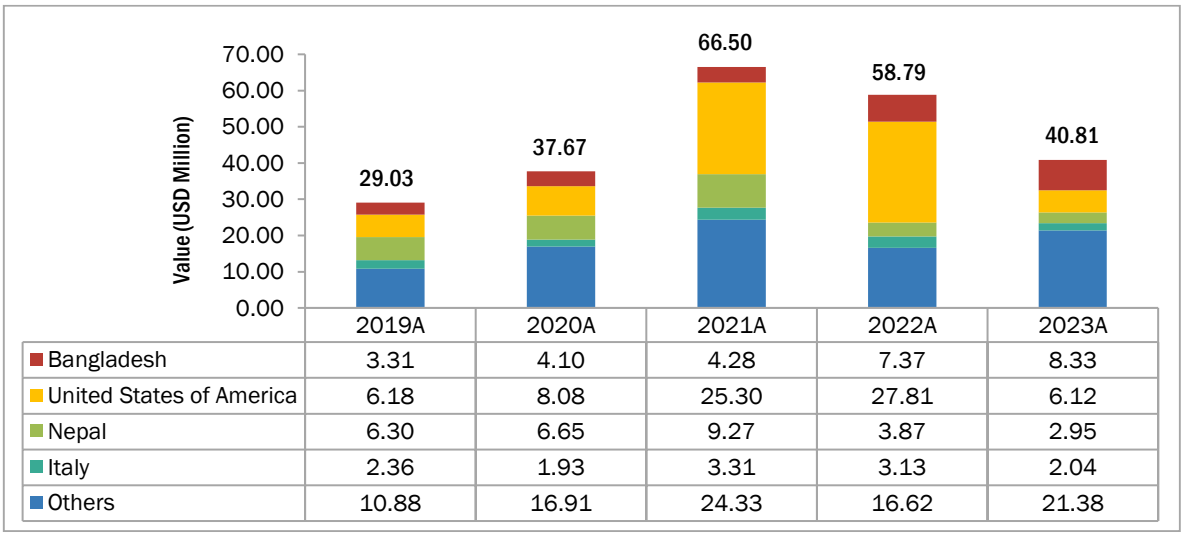
In the Indian agricultural market, tractor demand typically peaks between June and November. This is driven by the arrival of the monsoon, the Kharif crop season, preparations for the upcoming rabi planting season, increased harvesting activities, and improved rural cash flow during this period.

Tractors account for the most common type of farm equipment in India and is the largest global market for tractors.

The factors impacting the competition in the agricultural tractors industry includes upcoming TREM V emission regulations, a high demand for efficient and advanced tractors, competitive pricing, increased focus on localization and government schemes and subsidies.

Export Market Size and Key Export Destinations

Indian Agriculture Equipment Sales (Export) Market Size, by Country and Value



	2019A	2020A	2021A	2022A	2023A
Bangladesh	3.31	4.10	4.28	7.37	8.33
United States of America	6.18	8.08	25.30	27.81	6.12
Nepal	6.30	6.65	9.27	3.87	2.95
Italy	2.36	1.93	3.31	3.13	2.04
Others	10.88	16.91	24.33	16.62	21.38

Source: International Trade Center and Markets and Markets analysis. Note: A-Actuals. The export data is mapped for HS Code - 843280 Agricultural, horticultural, or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers. Data is given as per calendar year.

Until 1960, India country relied solely on imports to meet its agricultural machinery needs. This dominance also extends to production, with over a third of all tractors manufactured worldwide coming from Indian factories.

India's agricultural equipment exports declined in CY2023 compared to CY2022. In CY2023, India exported a total of USD 40.81 million across the globe, down from USD 58.79 million in CY2022. This could be attributed to the political instability in countries such as Iran, Ukraine, Israel, and Russia, which negatively impacted the demand for various resources, including tractors, in their respective export markets.

Indian tractor manufacturers have been increasing their exports to the US, with the country accounting for a significant share of India's total tractor exports. Brazil is another major importer of farm tractors from India. The country's large agricultural sector has created high demand for Indian tractors, which are well-suited to the harsh Brazilian climate. Indian companies like M&M have established their own operations in Brazil, including local assembly of Mahindra tractors in the 85 HP range. Additionally, Sonalika and Yanmar are aiming to expand their European market offerings, ranging from lower to higher horsepower tractors (16-110 HP), in various countries including Brazil.

Indian Construction Market

The government of India has announced and implemented several initiatives, such as the National Infrastructure Pipeline, Gati Shakti National Mater Plan, and National Logistics Policy, to improve the country's transportation infrastructure. Government-led schemes such as the Pradhan Mantri Awas Yojana ("**PMAY**") for affordable housing and the Make in India initiative have further invigorated the industry.

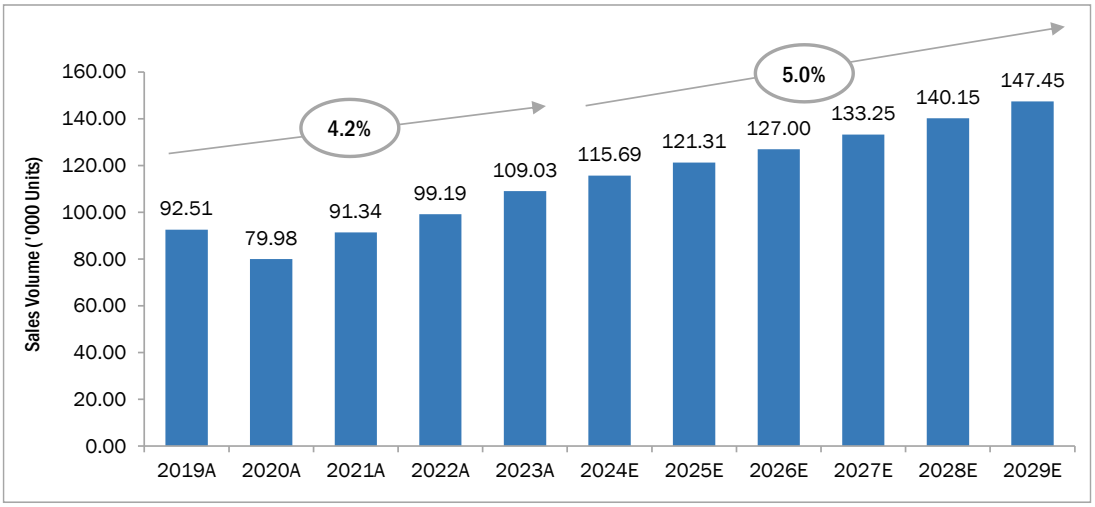
Indian Construction Vehicle Market

Indian Construction Vehicle Market Overview

Support from the Ministry of Road Construction and Highways ("**MoRTH**") has been instrumental in driving the demand for construction vehicles. The Central Government has committed over USD 1.3 trillion under its National Infrastructure Pipeline ("**NIP**") Vision 2025, and sectors such as energy, roads, urban areas, and railways are expected to constitute nearly 70% of the projected capex in infrastructure. The interim budget FY2024-2025 allocated significant resources towards road construction and highway development.

- *Roads and Highways*: approximately ₹ 7 lakh crores worth of projects planned in the next 2-3 years
- *Real Estate and Infrastructure*: ₹ 27 lakhs worth of projected investments in real estate and infra sector under NIP by FY2025
- *Ports and Airways*: ₹ 3 lakh crore worth of planned investments in port projects with a 10-year blueprint under Maritime India Vision-MIY 2030
- *Railways*: ₹ 13.6 lakh crores capital expenditure is planned in Indian railways up to FY2025

India Construction Vehicle Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets analysis. Note: Construction vehicles (excavators, loaders, dozers, motor graders, soil compactors, telehandlers, dump trucks, cranes). A- Actuals, E – Estimated. Data is given as per calendar year and is inclusive of exports.

India's construction vehicle sector has seen significant expansion in recent years, fueled by rapid urbanization and infrastructure development initiatives. Government efforts to enhance modern infrastructure have spurred a notable increase in demand for construction vehicles. The market for construction vehicles in India is projected to increase from 109.03 thousand units in CY2023 to 147.45 thousand units by CY2029.

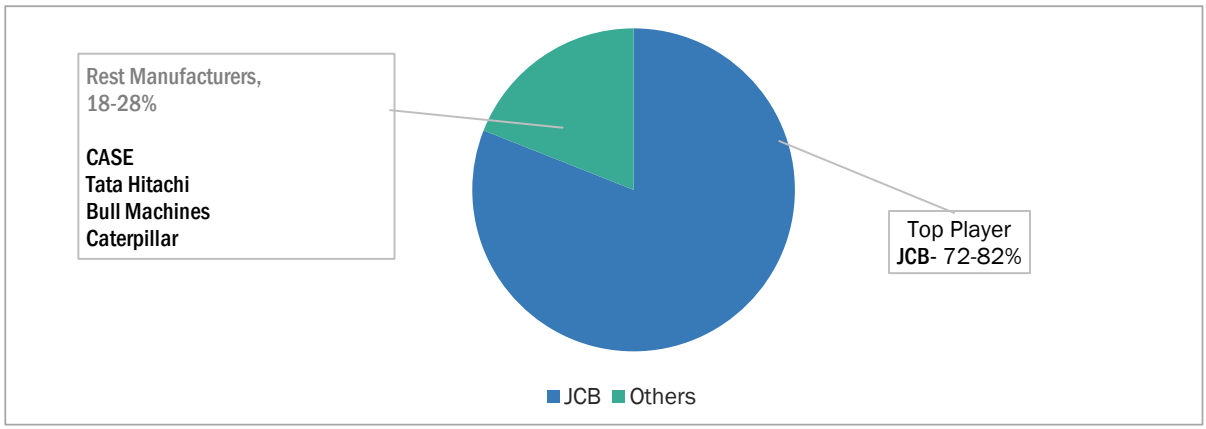
According to the Indian Construction Vehicle Manufacturers' Association ("**ICEMA**"), the Indian CE industry has the potential to become the 2nd largest industry globally, with USD 25 billion in revenues by CY2030. There is significant headroom for India to increase the adoption of construction vehicles owing to the ongoing infrastructure developments.

Manufacturer Market Share

In the India construction vehicles market, backhoe loaders, crawler excavators and mobile cranes contributing 41.6%, 24.3% and 13.6% share in the total construction vehicle domestic sales market. Below is the representation of the OEM share analysis for the mentioned top three equipment.

Backhoe Loaders

Indian Backhoe Loaders Market Segmentation, by Manufacturer and Volume, CY2023

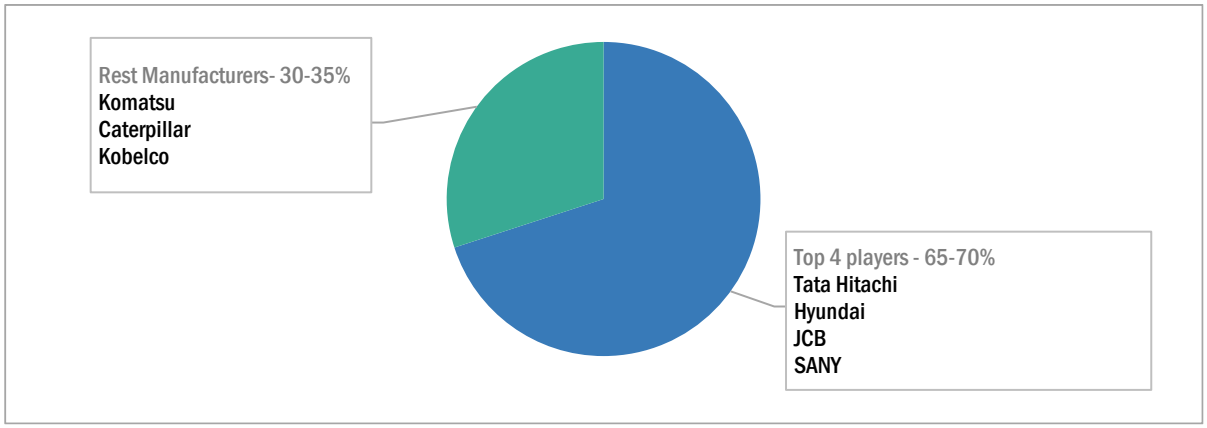


Source: Industry and Markets and Markets analysis. Note: The market share analysis is based on sales volume and is based on domestic sales only. Data is given as per calendar year.

The leading OEMs in the Indian backhoe loader segment includes JCB, CASE, Tata Hitachi, Bull Machines, Caterpillar. Other players include Action Construction Equipment ("**ACE**"), Escorts Kubota, Mahindra Construction, Manitou and Doosan. JCB led in the India in the backhoe loaders segment with a share of 72-82% in CY2023. India is not only an important market for JCB but also serves as their global manufacturing hub. Products made in Indian factories are exported to more than 125 countries around the world. JCB has developed a robust local supply chain in India, ensuring the manufacturing of its products is supported by a network of suppliers. The JCB Backhoe Loader, manufactured in India, boasts an impressive level of indigenization, with over 95% of its components sourced locally. This has enabled JCB to partner with nearly 380 world-class Indian suppliers, who have benefited from JCB's supplier development initiatives and grown alongside.

Crawler Excavator

Indian Crawler Excavator Market Segmentation, by Manufacturer and Volume, CY2023

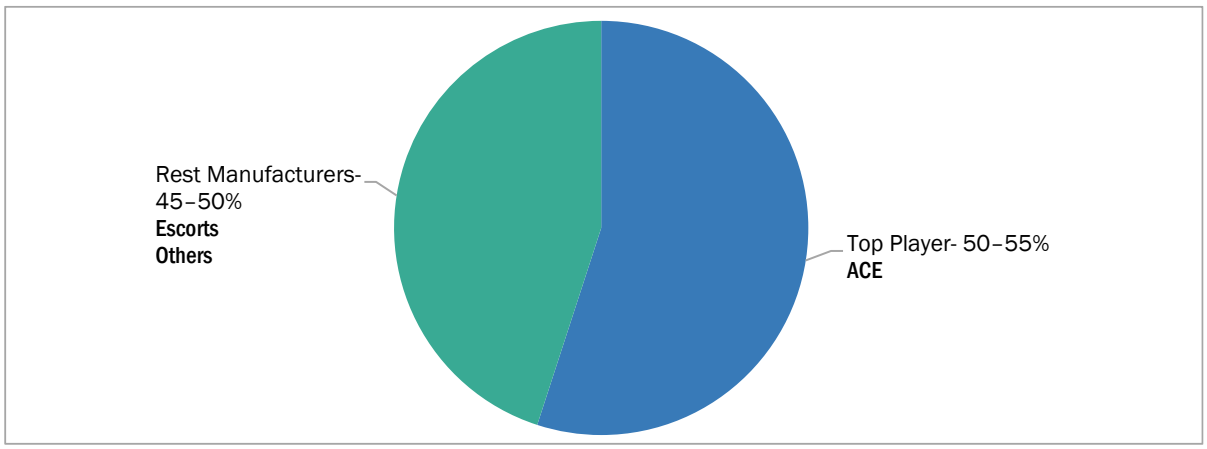


Source: Industry and Markets and Markets analysis. Note: The market share analysis is based on sales volume and is based on domestic sales only. Data is given as per calendar year

Tata Hitachi is the leader in the crawler excavators' market in India followed by Hyundai and JCB. Tata Hitachi's ZAXIS and EX Super+ Series crawler excavator is particularly popular, known for their reliability and superior performance. These excavators are equipped with advanced hydraulics and power optimization features, ensuring excellent fuel efficiency and return on investment.

Mobile Cranes

Indian Mobile Cranes Market Segmentation, by Manufacturer and Volume, CY2023



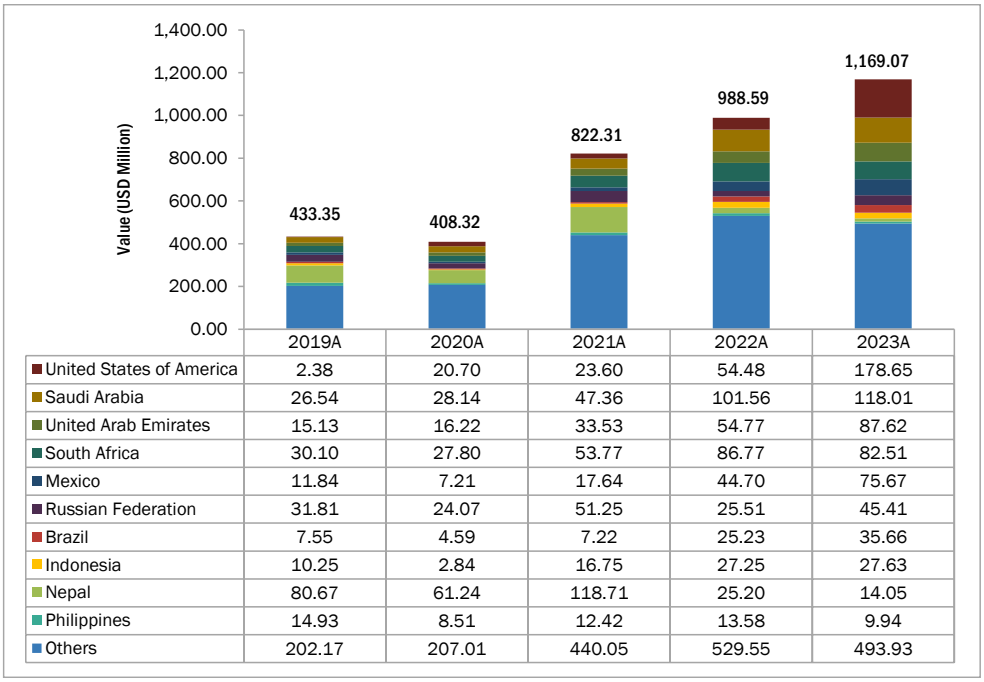
Source: Industry and Markets and Markets analysis. Note: The market share analysis is based on sales volume and is based on domestic sales only. Data is given as per calendar year.

ACE is a leading manufacturer in the mobile crane segment in India, recognized for its extensive range of construction and material handling equipment. ACE has consistently maintained its leadership position through innovation, quality, and customer service. The variety of products ACE offers includes mobile cranes, tower cranes, crawler cranes, truck mounted cranes.

ACE launched India's first fully electric mobile crane, the F150-ev 4X4, showcasing its commitment to sustainable technology and innovation in the construction vehicle sector. ACE's ongoing efforts to expand its manufacturing capabilities and introduce sustainable technologies position it well for future growth in the evolving construction landscape.

Export Market Size and Key Export Destinations

Indian Construction Vehicle Sales (Export) Market Size, by Country and Value



	2019A	2020A	2021A	2022A	2023A
United States of America	2.38	20.70	23.60	54.48	178.65
Saudi Arabia	26.54	28.14	47.36	101.56	118.01
United Arab Emirates	15.13	16.22	33.53	54.77	87.62
South Africa	30.10	27.80	53.77	86.77	82.51
Mexico	11.84	7.21	17.64	44.70	75.67
Russian Federation	31.81	24.07	51.25	25.51	45.41
Brazil	7.55	4.59	7.22	25.23	35.66
Indonesia	10.25	2.84	16.75	27.25	27.63
Nepal	80.67	61.24	118.71	25.20	14.05
Philippines	14.93	8.51	12.42	13.58	9.94
Others	202.17	207.01	440.05	529.55	493.93

Source: International Trade Center and Markets and Markets analysis. Note: A-Actuals. The export data is mapped for HS CODE-842911, 842919, 842920, 842930, 842940, 842951, 842952, and 842959). This covers Self-propelled bulldozers, angledozers, graders, levelers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines, and road rollers - mechanical shovels, excavators, and shovel loaders: machinery with 360 degrees revolving superstructure

India is also well positioned in terms of exports. OEMs are developing vehicles in accordance with CEV V, gaining competitive advantage in the market.

Indian Off-Highway Vehicle Market – Recent Trends and Drivers

Recent Trends

Adoption Of Digitalization and IoT Solutions

The Indian off-highway equipment market is witnessing a shift towards adoption of digitalization and IoT solutions to enhance the performance, efficiency, and safety of these vehicles. Manufacturers and technology providers are integrating advanced sensors, telematics, and cloud-based platforms to gather real-time data and optimize the operations of construction, mining, and agricultural equipment.

Focus on Electric and Hybrid Off-highway Equipment.

The Indian off-highway equipment market is witnessing a growing focus on electric and hybrid technologies, driven by the government's emphasis on sustainability and environmental concerns. Stricter emissions regulations and the need to reduce fuel consumption and operating costs have prompted manufacturers to invest in developing eco-friendly off-highway equipment.

According to Markets and Markets analysis, the electrification rate of tractors in India is less than 0.1% currently, but this is expected to grow to 0.3% by CY2030. The rapidly developing construction industry in India, is also driving the demand for electric construction vehicles. The government's increased budget allocation for the Ministry of Road Transport and Highways, up 52% from the previous year, further highlights the growing focus on infrastructure development, which will spur the adoption of electric off-highway equipment.

The Indian government's initiatives, such as "Make in India" and "Atmanirbhar Bharat," are expected to encourage domestic manufacturing and innovation in electric and hybrid off-highway equipment. This would drive investments and collaborations between OEMs, technology providers, and research institutions to develop cost-effective and reliable electric and hybrid solutions tailored to the Indian market.

Overall, the combination of stricter environmental regulations, the need for cost-effective and sustainable solutions, and the government's push for domestic manufacturing are key factors driving the growth of the electric and hybrid off-highway equipment market in India.

Growing Demand for Rental Services

The Indian off-highway equipment rental market is growing, driven by the need for cost-effective and flexible access to specialized machinery. Construction companies in India are increasingly opting for rental solutions to meet their project requirements, rather than investing in the high upfront costs of purchasing heavy equipment.

Rise in demand for High-Powered Tractors

The new TREM IV standards have introduced several advancements in the higher horsepower tractors, including higher engine RPM, 540 PTO speed, improved gearboxes, and increased lifting capacities ranging from 2000-2900 KG. Additionally, the tractors now feature power steering, enhancing their overall performance and capabilities.

However, these upgrades to meet the stricter emission norms have come at a cost. The cost of 50 HP and above category tractors is estimated to increase by up to Rs 1 to 1.3 lakh (depending on factors such as the power output and brand). The significant technological upgrades required, such as fuel injection systems, air handling systems, exhaust gas recirculation, and diesel particulate filters, have contributed to this price hike.

The cost of 55-57 HP tractors is expected to increase by more than Rs 1 lakh due to the Common Rail Direct Injection (CRDI) systems requirement, the demand for tractors above 50 HP may see a slight decline. Conversely, the demand for 45-50 HP tractors is anticipated to grow, as farmers may opt for these more affordable options, and this would be a temporary momentum in the industry. The domestic demand for >50 HP tractors is expected to normalize in a year or two, as per industry experts.

Growth Drivers

Rising Infrastructure Investment

Increased investments in roads, bridges, railways, and power projects translate to booming demand for earthmoving, construction, and material handling equipment.

According to the India Brand Equity Foundation ("**IBEF**"), India was the 3rd largest construction market in CY2023. The country's infrastructural development is dominated mainly by national highway construction. In the Union Budget 2023, the government announced the creation of the Urban Infrastructure Development Fund ("**UIDF**") with an annual allocation of Rs. 10,000 crore to provide project loans for basic services to Tier 2 and Tier 3 cities. The mission has received substantial funding allocations in the Union Budget, with Rs. 6,118 crore (USD 770 million) allocated in FY2021 and Rs. 14,100 crore (USD 1.8 billion) in FY2023. As of September 2023, a total of 7,960 projects worth Rs. 171,432 crore (USD 21 billion) have been tendered under the mission, with 6,188 projects completed.

The infrastructure outlay for FY2025 has been increased by 11.1% to Rs. 11,11,111 crores, which constitutes 3.4% of the GDP.

Such activities would create opportunities for selling construction vehicles like backhoe loaders, crawler excavators, wheeled loaders >80 HP, and others in India.

Subsidies for Agricultural Equipment

Agricultural subsidies play a crucial role in driving adoption of agricultural equipment, such as tractors and drip irrigation systems, to enhance farm productivity.

Several states in India have also implemented farm loan waiver programs and credit finance schemes to support farmers who may not qualify for commercial loans. These initiatives are expected to further drive sales of farm equipment in the country.

Indian Off-Highway Vehicle Market – Key Challenges and Threats

Key Challenges

Stringent Emission Regulations

India has implemented stringent emission regulations such as Bharat Stage (CEV/TREM) IV and V emission standards for off-highway equipment, aligning with global standards to reduce the environmental impact of construction and agricultural machinery. This regulatory push is expected to catalyze innovation in the off-highway equipment sector, promoting cleaner technologies and fostering a more sustainable approach to construction and agriculture practices in India.

The TREM Stage-IV emission standard will impact engines with ratings above 50 horsepower ("**HP**"). According to a recent ICRA report, the transition to the new emission norms is expected to trigger a market adjustment regarding tractor horsepower distribution. This adjustment will likely result in a realignment of product offerings, focusing on adding tractors that deliver higher torque at lower horsepower. Consequently, the 41-50 HP segment is anticipated to gain market share at least for a short duration.

To comply with the new TREM Stage-IV emission standards, farm tractor original equipment manufacturers ("**OEMs**") will need to implement various modifications across the powertrain and emission control systems to enhance efficiency and ensure compliance. These hardware changes will cause engines to operate under higher stress, leading to increased operating temperatures and pressures, consequently impacting engine lubricants' performance and requirements.

Key Threats

Slow adoption of new technology

Significant upfront investment, particularly for electric and hybrid equipment, is a challenge for the industry. This can be a deterrent for small and medium-sized enterprises ("**SMEs**") with limited budgets.

The infrastructure to support electric and hybrid construction vehicles, such as charging stations and battery recycling facilities, is still developing in many regions. Improving this supporting infrastructure will be crucial for the widespread adoption of greener technologies.

India-European Union Free Trade Agreements: Possible Threats to Indian Agriculture

The potential India-EU Free Trade Agreement ("**FTA**") negotiations pose several challenges for the Indian agricultural sector that require careful consideration. The FTA may involve tariff reductions on agricultural imports, exposing Indian farmers, especially small and marginal ones, to increased competition from subsidized EU agricultural products.

While the FTA may aim to protect Indian GI products in the EU market, the registration and protection process may pose challenges for Indian producers. Lastly, there are concerns that the FTA may not provide equal market access opportunities for Indian and EU agricultural products, potentially favoring EU exports to India over Indian exports to the EU.

ANALYSIS OF THE INDIAN AGRICULTURAL TRACTOR MARKET

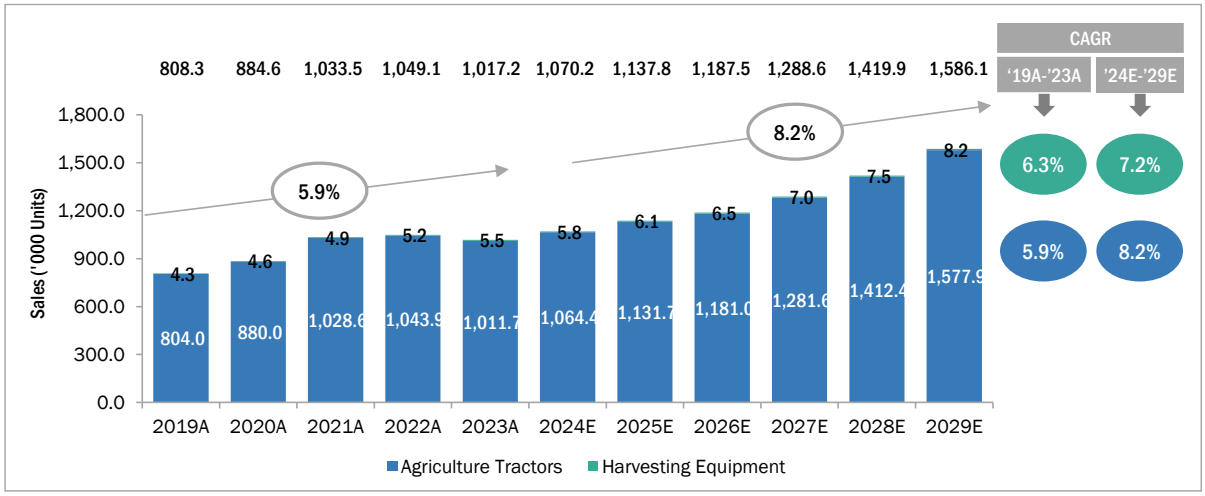
Indian Agricultural Tractor Market Overview

The Indian agriculture industry has grown consistently in recent years. According to the Tractors Manufacturers Association, India tractor sales (including exports) were 804.0 thousand units in CY2019, which increased to 880.0 thousand units in CY2020 despite Covid-19 pandemic lockdowns.

Tractor sales again increased to 1,028.6 thousand units in CY2021 even during the second wave of the pandemic and again increased to 1,043.9 thousand units in CY2022. Tractor sales, however, declined in CY2023 to 1,011.7 thousand units due to factors such as irregular monsoon distribution particularly impacting the Kharif crop season and decline in exports due to recession in global markets. Tractor sales during CY2024 to CY2029 are expected to be positively impacted by demand for farm mechanization, supporting government policies, technological advancements, better financing options, and others. The increasing agricultural productivity, government initiatives, rise of precision farming, growing demand for organic farming, increasing focus on food security,

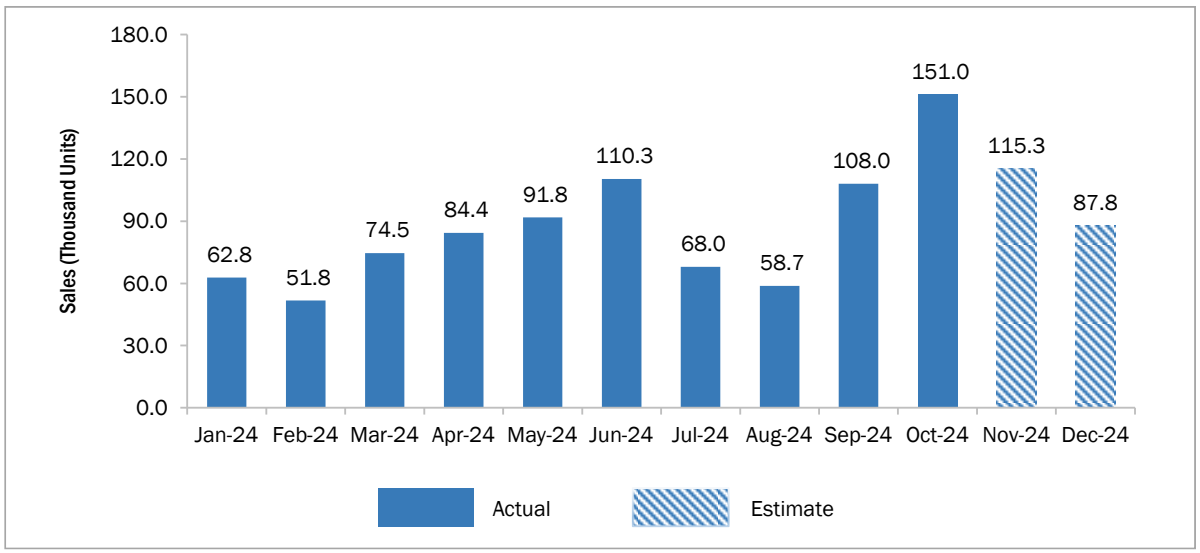
government subsidies, the rise of contract farming, and government support for mechanization are all contributing to the growing demand for harvesting equipment.

Indian Agricultural Equipment Sales Market Size, by Volume



Source: Tractors Manufacturers Association, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Agricultural tractors and harvesting equipment are considered under agricultural equipment. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

India Agricultural Tractor Monthly Sales and Market Size



Source: Tractors Manufacturers Association. Note: The sales volume includes domestic sales and exports.

Agricultural tractor sales in the H1 2024 (January - June) totaled 475.6 thousand units, reflecting a 9% decline compared to the same period in 2023. In June 2024, sales peaked at 110.3 thousand units but subsequently dropped to 68.0 thousand units in July and further decreased to 58.7 thousand units in August. This decline could be attributed to slow agricultural activity that typically follows the monsoon planting season, reducing tractor demand during these months. Similar decline was observed in 2023 where the agricultural tractor sales in August (62.1 thousand units) declined by 42% from June (106.6 thousand units). Other factors responsible for the decline in 2024 are El Niño (i.e. climate phenomenon that involves changes in the ocean and atmosphere in equatorial Pacific and impacts global atmospheric circulation), fluctuations in rural cash flow, and the high base set in 2023.

However, a positive shift occurred in September 2024, when tractor sales rebounded to 108.0 thousand units. This increase was fueled by enhanced rainfall, which supported the growth of kharif crops and contributed to the recovery of groundwater levels across the country.

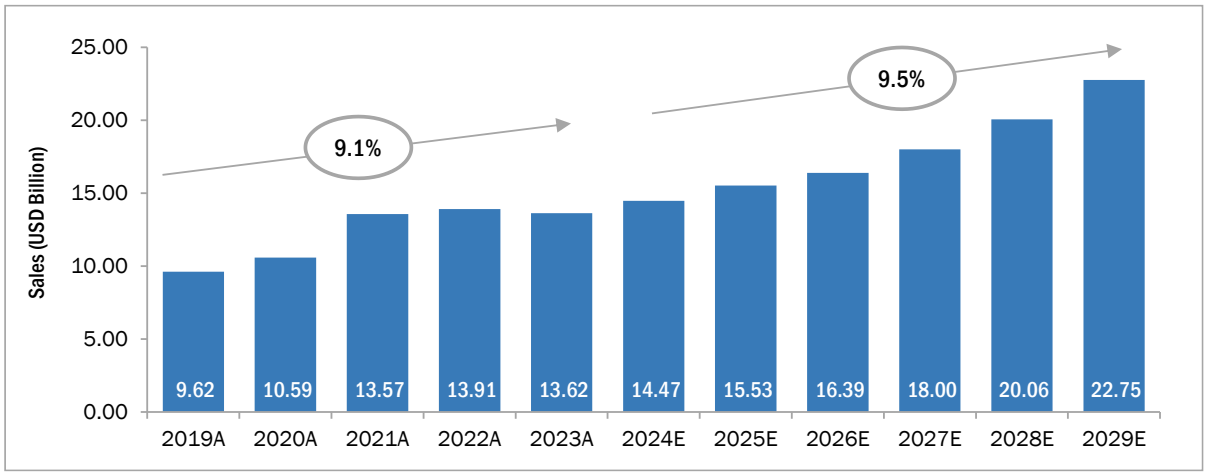
Rural sentiments are optimistic due to the successful kharif crop and expectations of a strong rabi crop. With favorable terms of trade for farmers and the festive season spanning from October to November, there is potential

for steady growth in tractor sales towards the end of 2024. Tractor sales reached 710.3 thousand units from January to September 2024, and as per Markets and Markets analysis, tractor sales are expected to reach 1,064.4 thousand units by the end of 2024.

Mahindra & Mahindra continues to lead the tractor market with impressive sales figures and steady growth over several months. From January to September 2024, the OEM sold 206.2 thousand units, reflecting a 4% increase compared to the same period in 2023. During the same timeframe, TAFE and Sonalika sold 107.2 thousand units and 92.5 thousand units, respectively, in the domestic market.

Most of the key OEMs experienced a decline in sales during July and August but saw a recovery in September, indicating a rebound in demand. Hence, the tractor market is expected to grow from October to December 2024.

Indian Agricultural Tractor Sales Market Size, by Value

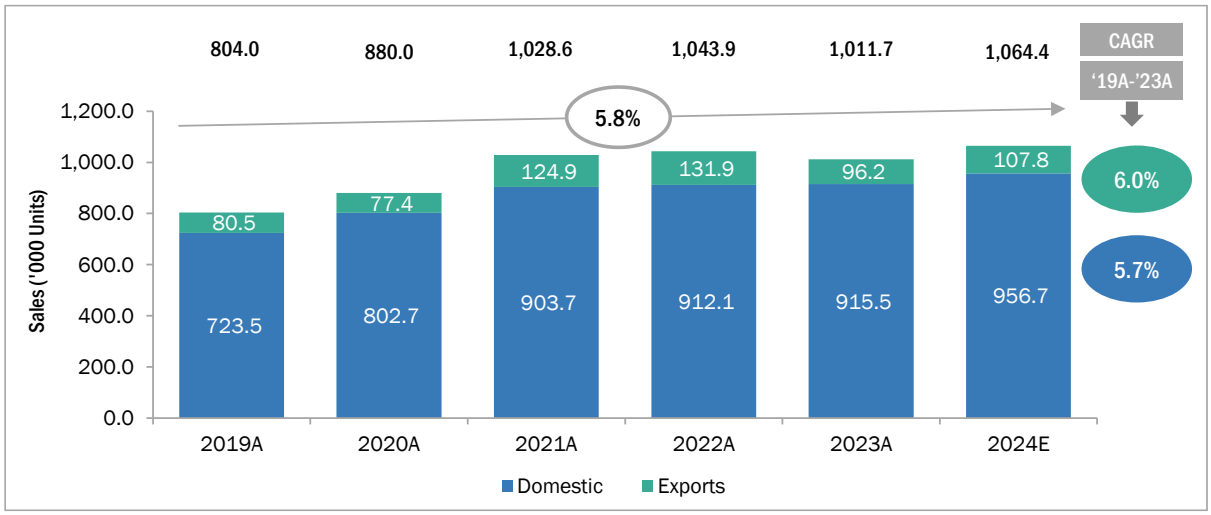


Source: Tractors Manufacturers Association, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Agricultural tractors and harvesting equipment are considered under agricultural equipment. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

Over the last 5 years, the Indian government has supported the horticulture sector, which has positively impacted the sales of 20-30 HP tractors. The government's focus on promoting ethanol-based fuels suggests a potential shift towards increased cultivation of ethanol-producing crops, such as sugarcane, in the next 5 years.

This shift in focus could lead to an expansion of the sugarcane cultivation area, which, in turn, may drive the demand for 30-49 HP tractors to support the specific requirements of sugarcane crop management. The increased mechanization needed for sugarcane cultivation, harvesting, and transportation is likely to boost the sales of tractors in this horsepower range.

Indian Agricultural Tractor Sales Market Size, by Domestic vs. Exports and Volume



Source: Tractors Manufacturers Association, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

The India agricultural tractors domestic sales experienced a compounded growth of 5.7% from CY2019-2024, whereas exports grew at a CAGR of 6% during the same period. In CY2020, the domestic sales of agricultural tractors were 802.7 thousand units, with exports of 77.4 thousand units. Sales rose to 12%, reaching 903.7 thousand units, and exports increased to 61%, reaching 124.9 thousand units in CY2021. In CY2022, domestic sales increased by 1%, reaching 912.1 thousand units, and exports grew by 6%, reaching 131.9 thousand units. In CY2023, domestic sales increased to 0.5%, reaching 915.5 thousand units, and exports declined by 27%, reaching 96.2 thousand units. In CY2024, the domestic sales increased by 5% and reached 956.7 thousand units and exports increased by 12% reaching 107.8 thousand units.

The Indian agricultural tractor market is witnessing significant growth, driven by factors such as increasing adoption of farm mechanization, increased consumption of farmed-produced products, high cost of labor and less availability of labor, and a growing export market. The country's agricultural tractor industry has been expanding rapidly, with the market size expected to reach over 1,577.9 thousand units by CY2029, including exports. The growth is attributed to the increasing demand for tractors from small and marginal farmers, who are adopting mechanized vehicles due to high labor costs and shortage of labor to improve productivity. Additionally, the government's initiatives to promote farm mechanization and rural development are also contributing to the industry's growth.

The decline in agricultural tractor exports in CY2023 was primarily due to high inflation in major markets like Europe and the US. This led to "hobby farmers" in those countries delaying their purchase decisions, as they anticipated interest rates would come down in the future. However, as soon as inflation starts to subside in the US and Europe, there is expected to be a rebound in demand for the 50-100 HP "hobby farming" tractors, which are a major export segment for Indian agricultural tractor manufacturers. In the meantime, Indian agricultural tractor OEMs have already developed the technology to meet the stricter emission standards for sub-100 HP agricultural tractors in these developed export markets. This positions them well to capitalize on the anticipated recovery in demand once economic conditions improve.

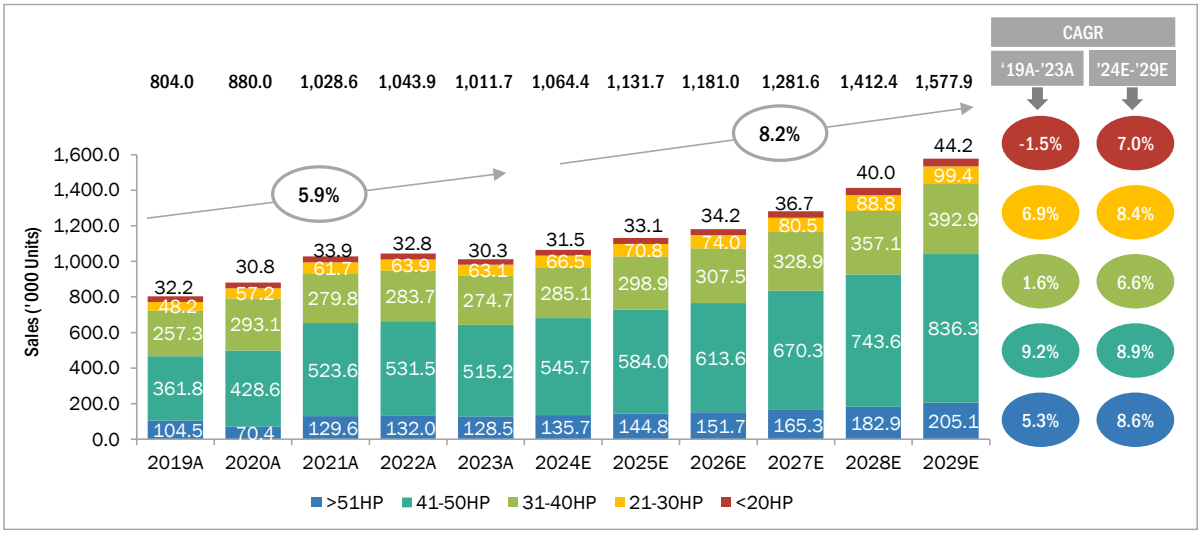
The future of agricultural tractor sales in India will be driven by capacity expansions, exports, and technological advancements. For instance, CNH has a capacity to build 100,000 tractors, Sonalika has invested Rs. 1000 crores to set up additional tractor capacity of 100,000 tractors in Hoshiyarpur, and Escorts plans to invest up to Rs 4,500 crore over the next 3-4 years to set up a new manufacturing plant and double its tractor production capacity to 340,000 units. These investments will enhance the industry's ability to meet growing demand and improve the competitiveness of Indian agricultural tractor manufacturers in the global market.

Indian Agricultural Tractor Market, by Power Output

The agricultural tractors volume in India grew at a CAGR of 5.9%, increasing from 804.0 thousand units in CY2019 to 1,011.7 thousand units in CY2023. It is projected to continue growing at a projected CAGR of 8.2% from CY2024 to CY2029.

The Indian agricultural tractor market is dominated by 41-50HP tractors contributing approximately 51% share of the total tractors sold In India. Owing to TREM IV regulations, many tractor OEMs shifted to 49.5HP tractors with same power output as that of higher HP tractors and changed the vehicle design aesthetically. Below is the split of tractors sales by power output.

Indian Agricultural Tractors Sales Market Size, by Power Output and Volume



Source: Tractors Manufacturers Association, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

Tractors Less Than 20HP

The sales of less than 20HP tractors in India stood at 30,256 units in CY2023. This segment is projected to grow to 44.2 thousand units by CY2029, registering a CAGR of 7.0% during the forecast period. This growth is expected to be largely due to various concessions and policies introduced by the Indian government, such as excise duty exemptions and subsidies for tractors under 18 HP. These incentives target farmers with irrigated land ranging from 2.4 to 3.2 hectares, aiming to enhance agricultural productivity and encourage mechanization on smaller farms.

These lower horsepower tractors are predominantly found in the western belt of India, comprising states like Maharashtra, Karnataka, and Gujarat. This sub-segment contributes approximately 3.0% to the overall Indian agricultural tractors market. The growth in demand for sub-20HP tractors can be attributed to their suitability for small-scale farming operations, ease of maneuverability, and affordability for marginal and small-scale farmers.

Tractors Between 21-30HP

The 20-30 HP tractor segment contributed approximately 6-7% to the total Indian agricultural tractor sales in CY2023. This segment recorded sales of 63.1 thousand units in the same year and is projected to grow to 99.4 thousand units by CY2029. These mid-range tractors are predominantly found in the western belt of India, comprising the states of Maharashtra, Karnataka, and Gujarat. The popularity of 20-30 HP tractors in this region can be attributed to their suitability for the diverse farming practices and land holdings prevalent in these states.

Tractors Between 31-40 HP

The 31-40 HP tractor segment is the second largest in the Indian market, with sales of 274.7 thousand units recorded in CY2023. This mid-range category is projected to grow to 392.9 thousand units by CY2029, at a CAGR of 6.6%.

The Northern Belt, comprising states such as Rajasthan, Punjab, and Haryana, along with Uttar Pradesh and the Western Belt (Maharashtra, Karnataka, and Gujarat), are the largest markets for 31-40 HP tractors in India. These regions have a significant presence of small and medium-sized farms, where tractors in this horsepower range offer the optimal balance of power, maneuverability, and affordability.

Tractors Between 41-50HP

The 41-50 HP tractor segment accounted for approximately 51% of the total tractor sales in India in CY2023, and this category is projected to grow at a CAGR of 8.9% from CY2024 to CY2029. The rising consumer preference for tractors with >40 HP, which offer wider applications in farming operations, the implementation of TREM IV emission regulations, and the increasing demand for 4WD tractors have been the major factors driving the growth of this segment over the last few years.

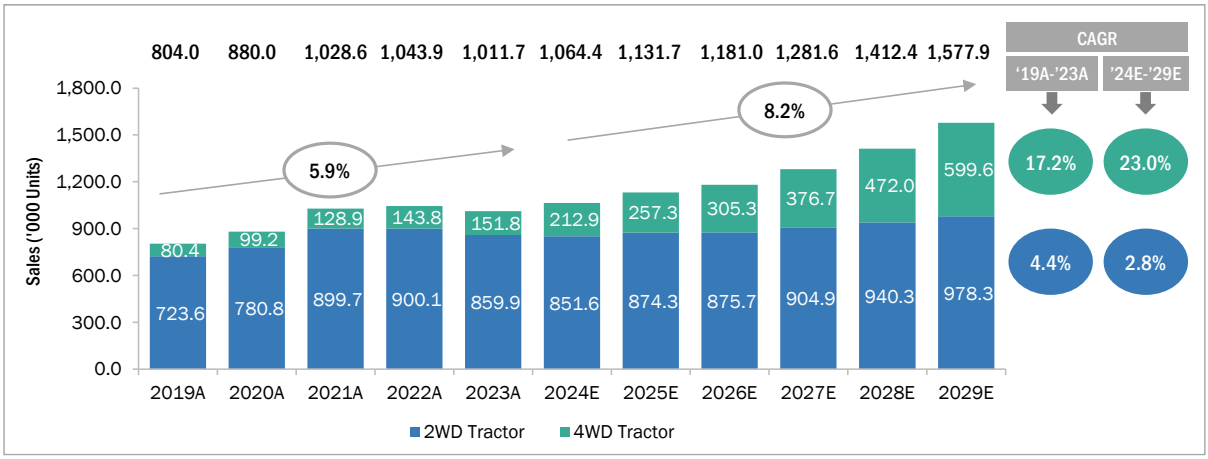
The Northern Belt, comprising states such as Rajasthan, Punjab, and Haryana, and the Western Belt (Maharashtra, Karnataka, and Gujarat), are the largest markets for 41-50 HP tractors in India. The shift towards higher horsepower tractors to meet the new emission standards and cater to diverse agricultural needs continues to shape the dynamics of the Indian tractor industry.

More Than 50HP Tractors

The >50HP tractor market is projected to grow from 128.5 thousand units in CY2023 to 205.1 thousand units by CY2029, registering a CAGR of 8.6%. The largest markets for high-HP tractors are found in states like Rajasthan, Punjab, and Haryana due to their higher levels of mechanization. The introduction of TREM-IV regulations, applicable to >50HP tractors, led to the introduction of CRD engines, resulting in an increased price of these tractors by Rs 1-1.5 lakhs. This temporary shift from 55HP to 49.5HP tractors is attributed to the higher cost of the former. India's domestic tractor market will primarily be dominated by 41-50HP tractors, while exports will be driven by >51HP tractors.

Indian Agricultural Tractor Market, by Driveline (2WD Vs. 4WD)

India Tractor Sales Market Size, by Driveline and Volume



Source: Tractors Manufacturers Association, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

The Indian tractor market is dominated by two-wheel-drive ("**2WD**") models, which accounted for a larger share (85%) of the farm tractor segment in CY2023. This 2WD segment is projected to grow from 859.9 thousand units in CY2023 to 978.3 thousand units by CY2029, at a CAGR of 2.8%. However, the four-wheel-drive ("**4WD**") segment is also gaining traction and reached 151.8 thousand units in CY2023 and expected to reach 599.6 thousand units by CY2029, growing at a CAGR of 23% during the forecast period. The choice between 2WD and 4WD tractors depends on factors such as the type of farming operations, terrain, farm size, and specific task requirements, with 4WD models being more suitable for demanding operations and challenging terrains. The growth in 4WD tractor demand in India is expected to be driven by the adaptability of this technology in the domestic market (for tractors under 50 HP) as well as the export market (for tractors above 50 HP).

The choice between two-wheel drive and four-wheel drive depends on factors such as the type of farming operations, the terrain, the size of the farm, and the specific tasks the tractor will be used for. More demanding operations and terrains typically call for the added traction and pulling power of a four-wheel drive tractor, while two-wheel drive tractors might suffice for lighter tasks and smoother surfaces.

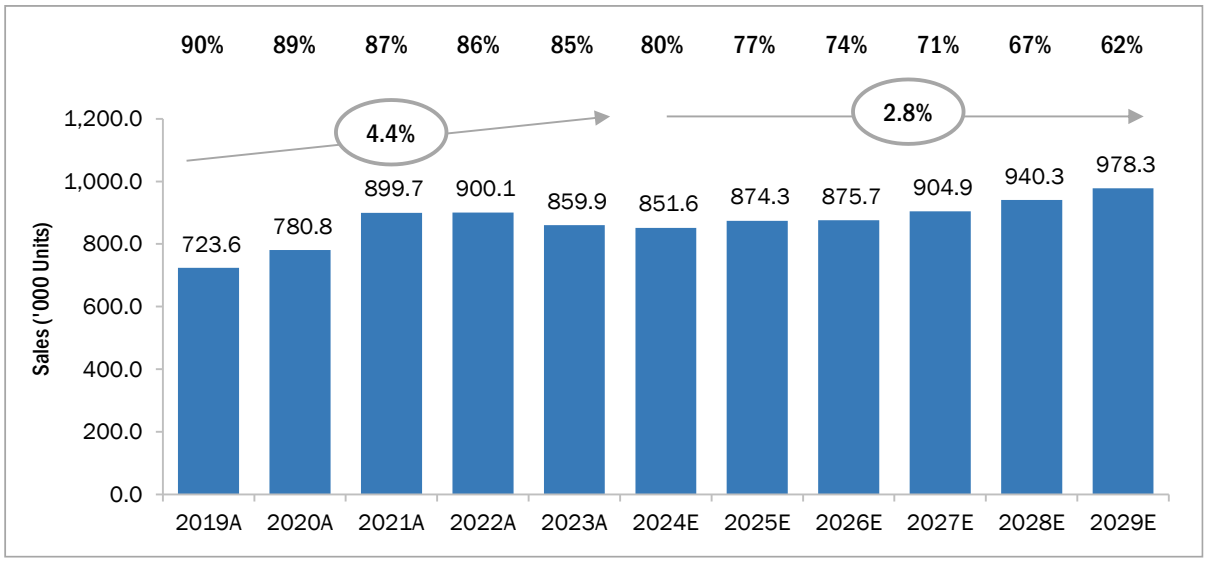
In CY2023, the <20HP power output tractors with 4WD were 13% and 2WD were 87%, 20-30HP power output tractors with 4WD were 51% and 2WD were 49%, 31-40HP power output tractors with 4WD were 4% and 2WD were 96%, 41-50HP power output tractors with 4WD are 15% and 2WD were 85%, and >50HP power output tractors with 4WD are 55% and 2WD were 45%.

The 4WD tractors are coming in >50HP and <30HP power output tractors. This trend is expected to grow in the future, which is expected to increase the demand for 4WD tractors during the forecast period. The introduction of TREM IV regulations shifts the focus of OEMs to manufacture tractors less than 50 HP with 4WD tractors. Instead of manufacturing the 55HP 2WD tractors, the OEMs are manufacturing the 49HP tractor with 4WD, due to minimal cost difference and TREM 4 exclusion. India exports tractors to the US, Brazil, South Africa, Mexico,

UAE, and Saudi Arabia, which uses medium to high horsepower tractors. The export market will increase the demand for high-horsepower tractors with 4WD.

2WD TRACTORS

Indian Tractor Sales Market Size, by Driveline (2WD) and Volume

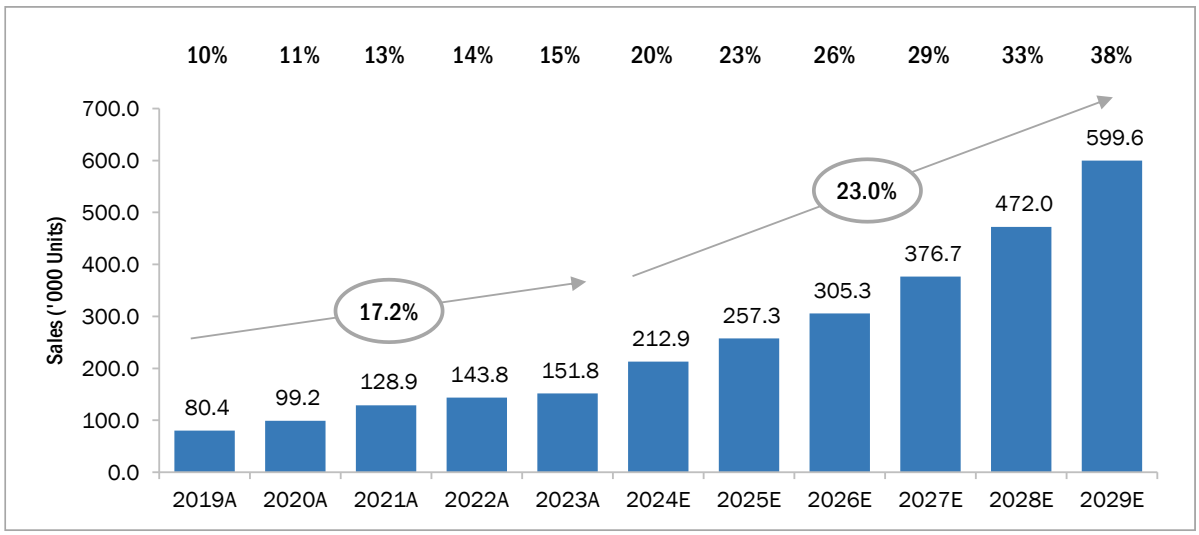


Source: Tractors Manufacturers Association, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

In India, 2WD tractors are the most popular due to their cost-effectiveness, ease of use, and suitability for small-scale farming operations. These tractors are ideal for farmers with smaller landholdings, as they are more fuel-efficient and require less maintenance compared to 4WD tractors. The 2WD segment is dominated by brands like Mahindra, Sonalika, Swaraj, and Eicher, which offer a range of features such as fuel-efficient engines, high lifting capacity, powerful PTO, and more. The popularity of 2WD tractors in India can be attributed to their affordability, with prices starting from around Rs. 500,000. Additionally, 2WD tractors are versatile for various farm tasks, such as ploughing, harrowing, and planting, making them a preferred choice among farmers.

4WD Tractors

Indian Tractor Sales Market Size, by Driveline (4WD) and Volume



Source: Tractors Manufacturers Association, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

The demand for 4WD tractors in India has been growing in recent years, driven by the varied needs of farmers and the suitability of these tractors for challenging terrain and agricultural activities. 4WD tractors are used for haulage, tilling, and other demanding tasks in rough terrain. The market is dominated by leading brands such as Mahindra, John Deere, Swaraj, New Holland, and Kubota, which offer a range of 4WD tractor models with diverse horsepower and features.

The growing popularity of 4WD tractors in India can be attributed to their ability to improve overall tractor performance and their suitability for the diverse agricultural needs and challenging terrain conditions across various regions of the country. With the introduction of TREM-IV regulations, the 55 HP tractor owners shifted to 49.5 HP tractors. Similarly, it is expected that the 4wd tractors are expected to be adapted in lower HP ranges like 41-50 HP in India in coming years. Also, with growing exports of high HP tractors, the demand for 4wd tractors is estimated to grow in coming years.

Key Trends and Drivers in the Indian Agricultural Tractor Market

Shift towards higher HP tractors (41-50HP)

The Indian tractor market has experienced a notable shift from the 31-40 HP segment to the 41-50 HP segment over recent years. The share of 41-50 HP tractors increased from approximately 45% in CY2019 to around 51% in CY2023, including exports. The >50 HP segment also holds a substantial share, which was about 13% in CY2023, including exports. Factors contributing to the increased demand for higher HP tractors include the growing purchasing power of farmers, the trend of collaborative farming, commercial usage, and higher irrigation intensity. Additionally, technological advancements and OEMs' focus on exports have boosted the market for tractors above 40 HP in India.

Shift from 2WD tractors to 4WD tractors

The 2WD tractors have historically dominated the Indian agricultural tractor market. In CY2019, the 2WD tractor penetration was approximately 90%, which decreased to around 85% in CY2023. During the same period, the 4WD penetration increased from about 10% to 15%. The price of 2WD tractors is lower than that of 4WD tractors, as they are powered by a single axle. 2WD tractors are primarily used in dry farming conditions where the fields are not excessively muddy, sloped, or wet.

After the introduction of TREM-IV regulations, farmers using 55 HP 2WD tractors are shifting to 49.5 HP tractors. Following the launch of TREM-V, a similar scenario can be expected where farmers can shift from 45-47 HP tractors to <40 HP tractors provided these <40 HP tractors are fitted with 4WD, offering similar power and traction as that of 45-47 HP tractors. Additionally, the Indian OEMs with TREM V ready tractors will possibly increase their potential to export more tractors to emission regulated countries, thus, driving the demand for 4WD tractors.

Custom Hiring of Tractors

Custom hiring services for tractors are delivered broadly through four means: government agencies, local entrepreneurs, large farmers, and organized companies. Custom hiring services offer farmers the opportunity to utilize high-quality tractors without requiring upfront capital investment, alleviating financial pressures on farmers and enhancing their productivity.

The government has introduced initiatives such as custom hiring centers to promote farm mechanization and provide tractors on a hiring basis.

- In March 2022, the government of Madhya Pradesh unveiled plans to establish 3,000 additional custom hiring centers across the state. As an incentive, farmers setting up these centers will be eligible for subsidies of up to ₹ 10 lakh.

- In FY2022, the Agriculture Minister of Rajasthan announced a significant expansion of the state's custom hiring center network, establishing an additional 1,000 centers.

Various leading tractor manufacturers from India are investing in custom hiring services to cater to the growing demand for tractor rentals.

Increasing Localization

The Indian tractor industry is localizing its supply chain to the extent possible, in order to reduce reliance on imports and enhance domestic manufacturing capabilities. This move can help the OEMs with increased efficiency, cost savings, and improved product quality, as local suppliers can better cater to the customized needs of the market. Additionally, localization could also support the growth of the domestic manufacturing sector, creating new job opportunities and stimulating economic development.

Growing Exports of Indian Tractors Driving Sales

The introduction of TREM-IV and the upcoming TREM-V emission regulations are expected to drive the tractor industry's focus on not only the domestic market but also the regulation-ready export markets. The coming years are likely to see a resurgence in tractor exports as OEMs prepare to cater to the changing regulatory landscape both domestically and globally.

Favorable Monsoon Condition to Drive the Indian Tractor Sales

The Indian tractor market is heavily influenced by monsoon patterns, as agricultural productivity and farmer confidence are closely tied to rainfall levels. Fortunately, the Indian Meteorological Department forecasts this year's (FY2025) monsoon is on time, which is anticipated to boost rural demand and economic activity. This optimistic projection is especially important considering the previous fiscal year (FY2024), when tractor sales declined by 3% due to unfavorable monsoon conditions. The favorable monsoon conditions are poised to drive a recovery in tractor sales in India, providing a much-needed boost to the agricultural tractor sales.

Key Challenges and Threats in the Indian Agricultural Tractor Market

Adoption of electric tractors over near to medium term in India

Electric tractors are a promising innovation that can revolutionize future farming practices in India. Despite India's annual sales of over 1 million tractors, the adoption of electric tractors has been slower compared to other electric vehicles ("**EVs**") like two-wheelers, three-wheelers, passenger cars, and electric buses. While electric tractors present numerous benefits, there are challenges that need to be addressed for widespread adoption:

- Upfront Cost: The initial cost of purchasing electric tractors is materially higher compared to conventional diesel models, making them less accessible for many farmers.
- Application: Electric tractors may not be suitable for certain applications, such as puddling (tillage of rice paddies while flooded), which requires specific capabilities.
- Charging Infrastructure: The lack of adequate charging infrastructure and consistent power supply in rural areas poses a significant challenge for the adoption of electric tractors.
- Usage Pattern: The high-power requirement and long working hours of tractors mandate large-sized batteries, which can impact their feasibility.

Credit availability to farmers for farm mechanization

According to the Press Bureau of India, the government has set a target of ensuring agriculture credit at a reduced interest rate of 7% per annum to farmers. While the availability of credit is crucial for farmers, they face challenges in accessing it, such as limited access to formal credit institutions in rural areas, high-interest rates from informal lenders, lack of collateral and credit history, and financial literacy barriers.

Dependence on imports for Indian tractor components

The Indian tractor industry has been overdependent on imports of components, particularly electronic components and engines. This has made the industry vulnerable to global supply chain disruptions and fluctuations in foreign exchange rates.

- India imports engines from countries like Poland and the Czech Republic. In CY2023, approximately 10,500 tractor engines were imported worth USD 1.5 million. Top tractor engine importers are Vietnam, India, and the US.

- India imports electronic components, such as engine control modules ("**ECMs**"), from countries like the United States and Japan.

Market saturation in the Northern and Western India regions

The northern and western states of India, particularly Punjab, Haryana, and Uttar Pradesh, which have traditionally been the country's largest tractor markets, are now facing a severe challenge due to market saturation. These states have a significantly higher concentration of tractors per 1,000 hectares of net sown area compared to other regions. For instance, Punjab has 79.3 tractors per 1,000 hectares, Haryana has 56.4, and Uttar Pradesh has 47.0. This high concentration of tractors in these regions indicates market saturation, making it challenging for manufacturers to maintain sales growth in these areas.

Government Initiatives and Policies Impacting Market Growth

Subsidies for agricultural equipment

Agriculture subsidies play a crucial role in India's agriculture sector, serving as a key growth driver for the market. In India, the Jharkhand Land Conservation Department offers a 90% subsidy to women establishments to purchase equipment such as tractors, rotavators and straw balers. Other states, such as Rajasthan, Uttar Pradesh, Punjab, Andhra Pradesh, and Karnataka, have also implemented farm loan waivers. Loan programs offer opportunities to farmers who do not qualify for commercial loans. These credits help farmers to continue their operations at reasonable terms. Thus, government schemes for waiving loans or credit finance are expected to drive farm equipment sales. The finance department of India has also issued coins for USD 20 million in this direction.

The table below depicts the various schemes launched by the government of India to enhance agriculture production.

Key Central Sector Schemes Launched by the Government of India

Scheme	Details
Pradhan Mantri Kisan Samman Nidhi ("**PM-KISAN**")	The PM-KISAN is a central sector scheme launched on February 24, 2019, to provide financial support to landholding farmers across the country. Till date, a total of ₹2.81 lakh crores has been disbursed to over 11 crores of beneficiaries (farmers) through various instalments.
Modified Interest Subvention Scheme ("**MISS**")	The Interest Subvention Scheme ("**ISS**") provides short-term agricultural loans at a concessional rate to farmers engaged in crop cultivation and related activities such as animal husbandry, dairy farming, and fisheries. Under this scheme, farmers can avail short-term crop loans up to ₹3 lakh at an interest rate of 7% per annum for one year.
Agriculture Infrastructure Fund ("**AIF**")	Agri Infra Fund was launched under the Aatmanirbhar Bharat Package. The AIF is a medium to long-term debt financing facility that provides financial support in the form of interest subvention and credit guarantee to encourage investments in viable projects related to post-harvest management infrastructure and community farming assets. As of 31-12-2023, Rs.33.209 crores have been sanctioned for 44,912 projects under AIF.

Source: Ministry of Agriculture and Farmers Welfare, Public Domain

Key Centrally Sponsored Schemes Launched by the Government of India

	Scheme	Details
NABARD	Subsidy on purchase of tractors	The NABARD scheme offers a 30% subsidy for the purchase of tractors and a 100% subsidy for other transport machinery. This support enables farmers to acquire the necessary equipment to enhance their agricultural productivity and progress their crops effectively.
PM Kisan Tractor Scheme 2023	-	This innovative government initiative aims to make tractors more accessible and affordable for farmers, thereby alleviating the financial strain on agricultural operations. One of the key features of the scheme is the provision of a substantial subsidy, reaching up to 50% on the purchase of a tractor.

Source: Ministry of Agriculture and Farmers Welfare, Public Domain

Government Initiatives to Promote Farm Mechanization

Agricultural mechanization plays a vital role in enhancing the efficiency and effectiveness of crop production processes, thereby increasing crop productivity and reducing the physical labor involved in various farm operations. The Sub Mission on Agricultural Mechanization ("**SMAM**") is a dedicated scheme introduced by the

Government of India in FY2014-15 to boost farm mechanization in the country. The scheme aims to make farm machines accessible and affordable for small and marginal farmers ("**SMFs**") by establishing Custom Hiring Centers ("**CHCs**"), creating hubs for hi-tech and high-value farm equipment, and setting up Farm Machinery Banks. There has been a considerable increase in agriculture machine adoption over time, and with government support, the farm mechanization rate is expected to increase.

Government Initiatives to Promote Farm Mechanization

Scheme	Details
Financial Incentives ("**FAME Scheme**")	The Faster Adoption and Manufacturing of Hybrid and Electric Vehicles ("**FAME**") scheme provides financial incentives to electric vehicle manufacturers, dealers, and buyers, including those of tractors, to accelerate the adoption of electric vehicles and make them more cost-effective.
Subsidies	The government has provided subsidies for the purchase of farm machinery and equipment. In FY2023, 15.24 lakh farm machinery and equipment, including tractors, power tillers, and automated machinery, were distributed at subsidized rates through state governments.
Infrastructure Development	The ₹1 lakh crore Agricultural Infrastructure Fund ("**AIF**") is a significant initiative to boost farm mechanization and improve agricultural infrastructure in India. As of FY2023, projects worth ₹14,000 crore have been approved under this fund, directly benefiting farmers by providing them access to modern equipment, storage facilities, and processing units.
Regulatory Support	The Indian government has updated emission standards for tractors, with Bharat Stage (CEV/Trem) IV standards applicable to agricultural tractors with engine power exceeding 37 kW. Additionally, tractors with engines below 37 kW can be regulated under BS IV standards without waiting for the implementation of BS V standards in FY2026.
Capacity Building	From FY2014-15 to FY2022-23, 1.64 lakh workers have been trained by the Central Government through its four Farm Machinery Training and Testing Institutes ("**FMTTIs**") and designated authorized test centers.

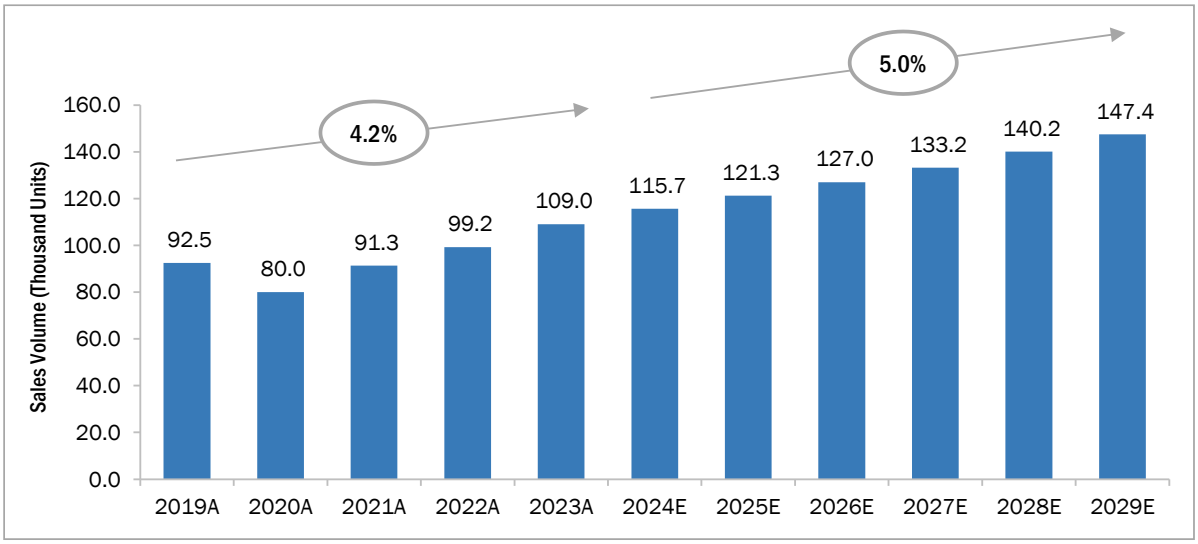
Source: Markets and Markets Analysis and Public Domain

ANALYSIS OF THE INDIAN CONSTRUCTION VEHICLE MARKET

Indian Construction Vehicle Market Overview

The Indian construction vehicle industry is poised for significant growth, driven by an expanding economy, supporting government initiatives, rising urbanization and industrialization, and large-scale infrastructure projects. The construction industry comprises earth-moving equipment, heavy construction vehicles, and material-handling equipment. Earth-moving equipment includes excavators, loaders, dump trucks, and dozers. Heavy construction vehicles include, among others, telehandlers, cranes, compactors, asphalt finishers, graders, scrapers and road rollers. Material handling equipment includes forklifts, aisle trucks, tow trucks, and container handlers. The earthmoving equipment segment dominates the market, accounting for a significant 57% share.

Indian Construction Vehicle Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: The construction vehicle considered are excavators, loaders, dozers, telehandlers, soil compactors, mobile cranes, self-loading concrete mixers, dump trucks, and motor grader. A-Actuals, E-Estimated. Data is given as per calendar year and the sales volume is inclusive of domestic sales and exports.

The sales volume of the construction vehicle market in India increased at CAGR of 4.2% from 92.5 thousand units in CY2019 to 109.0 thousand units in CY2023 and is expected to grow at CAGR of 5.0% from CY2024 to CY2029.

The rapid urbanization and infrastructure development in India's residential and commercial sectors have led to a surge in demand for construction machinery. This increased demand for construction vehicles is a direct result of the ongoing infrastructure projects and the expansion of the real estate sector to cater to the growing urban population.

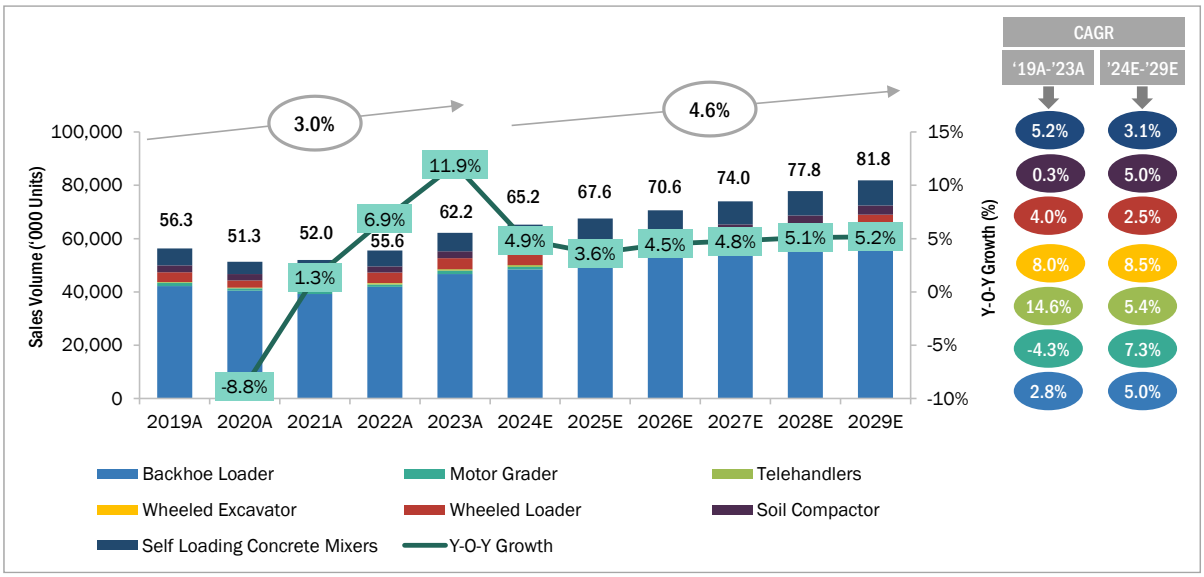
The CEV IV was implemented in April 2021. The new solution features engines with numerous electronic upgrades, providing an extensive communication interface. The CEV stage IV engine integrates Selective Catalytic Reduction ("**SCR**") and Exhaust Gas Recirculation ("**EGR**"), which significantly enhance emission standards. This combination results in lower NOx emissions and a 90% reduction in particulate matter in the exhaust, contributing to better environmental performance. The CEV IV is implemented for engines above 50HP. Most of the construction vehicles are above 50HP, but OEMs have designed some of the equipment like backhoe loaders, skid steer loaders, wheeled loaders, and mini excavators below 50 HP, to avoid the implementation of CEV IV regulations, thereby not affecting the price of the equipment.

The CEV V emission standards are expected to be launched from January 2025 and will have a significant impact on the construction vehicle sector. These standards will be applicable for all engines smaller than 8 kW and those larger than 560 kW. The regulations will require construction vehicle engines to emit lower levels of pollutants such as particulate matter ("**PM**"), nitrogen oxides ("**NOx**"), and hydrocarbons ("**HC**"). Overall, the impact of CEV V standards on the construction vehicle sector is likely to be positive. The standards will reduce emissions from construction vehicles, improving air quality, fuel costs, and noise pollution. However, the standards will also require customers to purchase new, more expensive machinery, which could lead to higher costs for some customers.

The National Infrastructure Pipeline is driving significant investments in various infrastructure sectors, including roads, railways, ports, and airports. This has led to a substantial demand for diverse construction vehicles, such as excavators, bulldozers, cranes, concrete mixers, and other machinery. Over ₹ 125.5 lakh crores have been earmarked for these projects by FY2025, creating immense opportunities for earth-moving and heavy construction vehicles. Also, the growing e-commerce and retail sector in India is expected to drive the demand for material handling equipment in India.

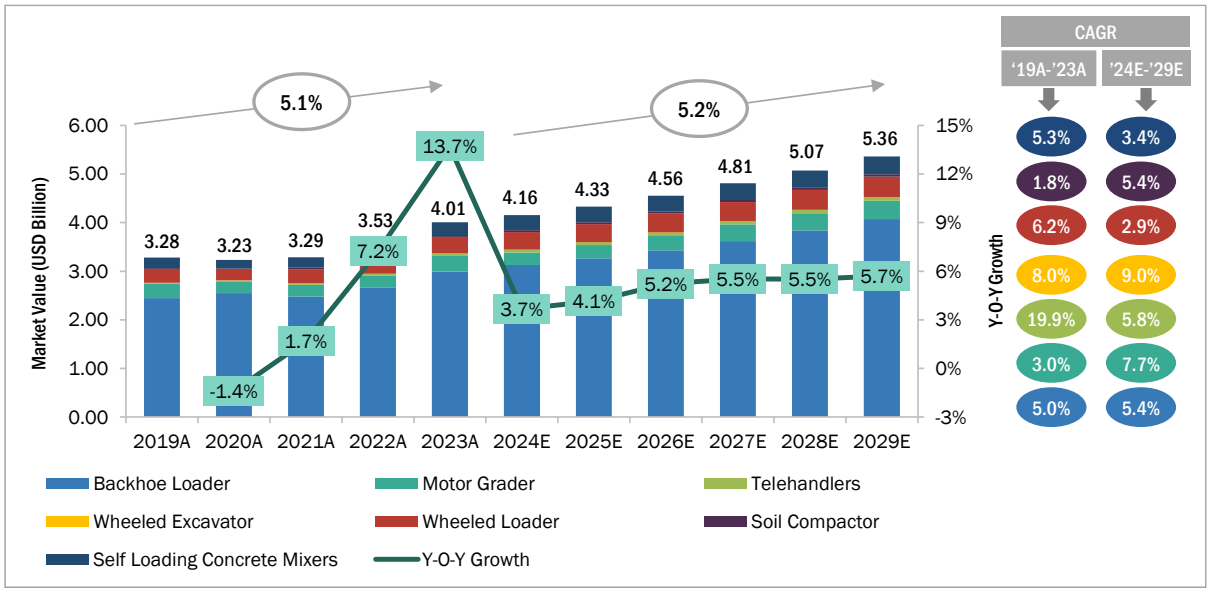
Indian Construction Vehicle Market, by Type

Indian Construction Vehicle Sales Market Size, by Type and Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and is inclusive of domestic sales and exports.

Indian Construction Vehicle Sales Market Size, by Type and Value

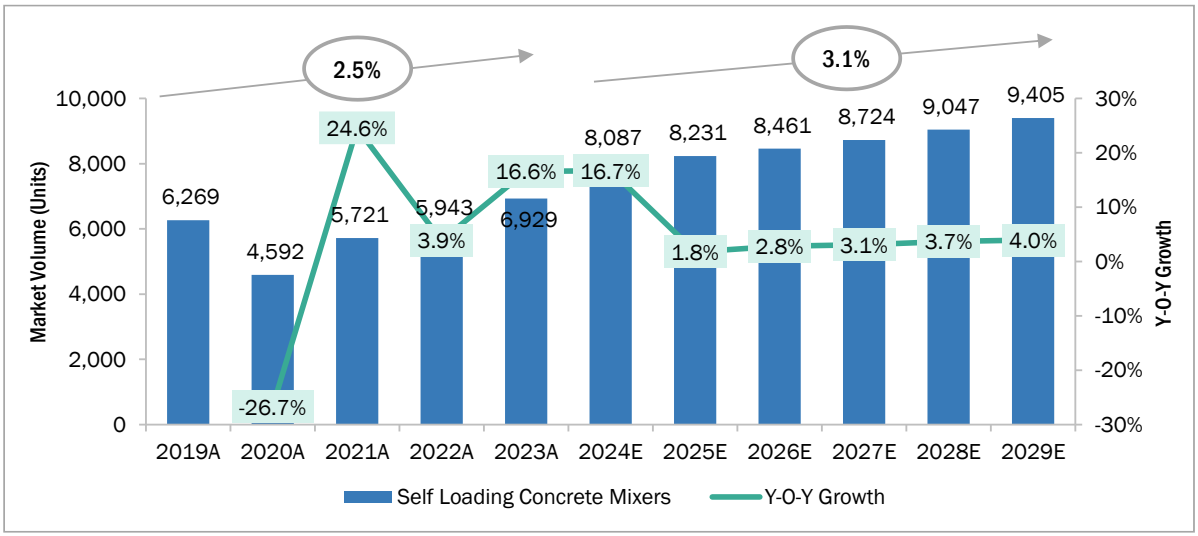


Source: ICEMA, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Sales Data is as per calendar year and is representative of sales volume of select vehicles. The value data is inclusive of exports.

Backhoe Loaders hold major share in the construction vehicle market of India in CY2023. Rapid urbanization and rising disposable incomes in India are driving a surge in residential and commercial construction, fueling the growth of the construction vehicle market. According to UN projections, India's population is expected to shift significantly, with approximately 50% residing in urban areas by CY2047, creating an unprecedented demand for urban infrastructure development and presenting significant opportunities for construction vehicles. India is one of the largest markets for excavating and road-building construction vehicle, including backhoe loaders, motor graders, wheeled loaders, and soil compactors, which are mainly used for excavating, grading, and dumping applications. The rise in investment in road building, railway, airport, and rapid urbanization are expected to increase the demand for these construction vehicles during the forecast period, as the country works to accommodate its growing urban population and support its economic development.

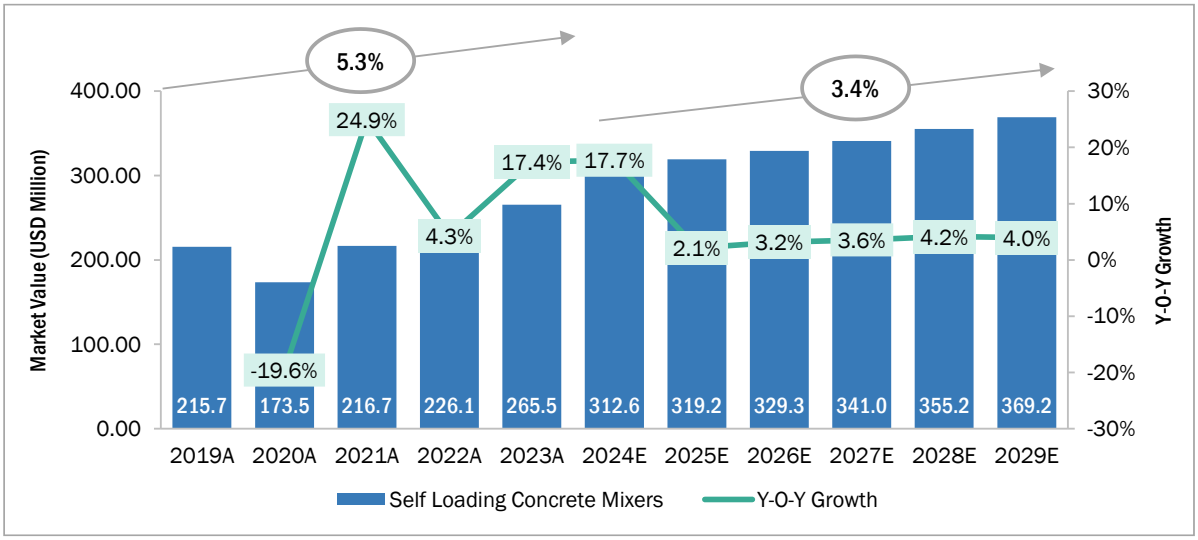
Self-Loading Concrete Mixers

Indian Self-Loading Concrete Mixer Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and is inclusive of domestic sales and exports.

Indian Self-Loading Concrete Mixer Sales Market Size, by Value



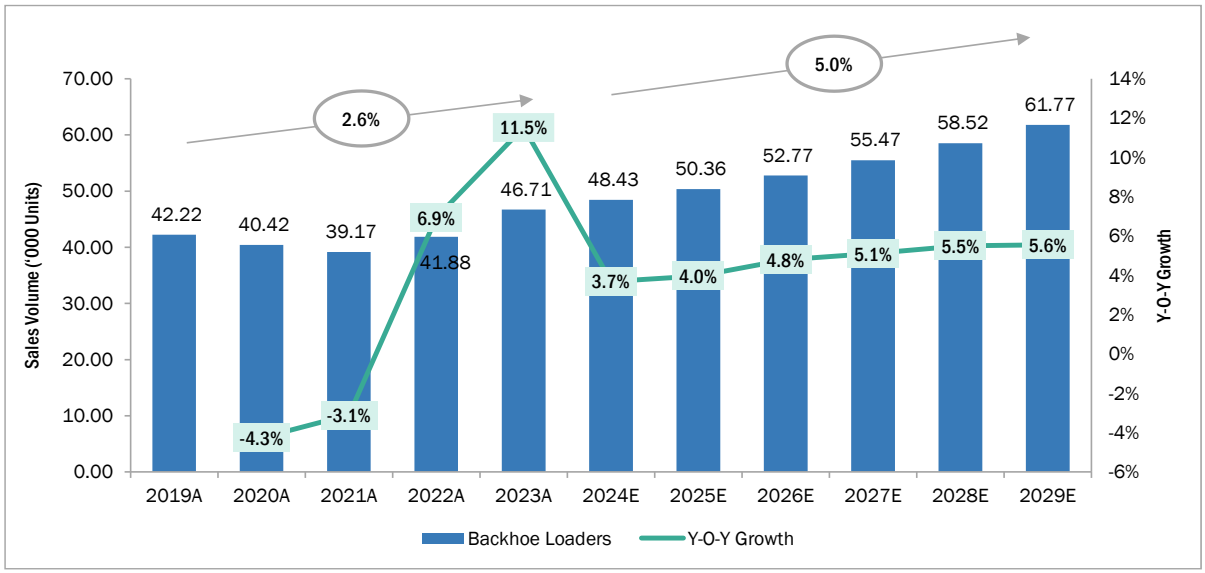
Source: ICEMA, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and is inclusive of domestic sales and exports.

Self-loading concrete mixers sales are expected to reach 9,405 units by CY2029. Two key OEMs manufacturing self-loading concrete mixers in India are Schwing Stettar India and AJAX Engineering Pvt Ltd.

Schwing's self-loading mixers production facility at global manufacturing hub, Cheiyar manufactures 300 machines per month and as the demand is expected to increase the production will be impacted. The construction and expansion of highways and roads across the country is a major driver for concrete equipment. Improved road and rail connectivity, especially in the North and Northeast regions, is expected to generate significant business opportunities for concrete equipment manufacturers. The key segments that will drive the demand for concrete equipment are highways and roads, metro projects in major cities, irrigation projects, infrastructure development, and the real estate sector's demand for ready-mix concrete.

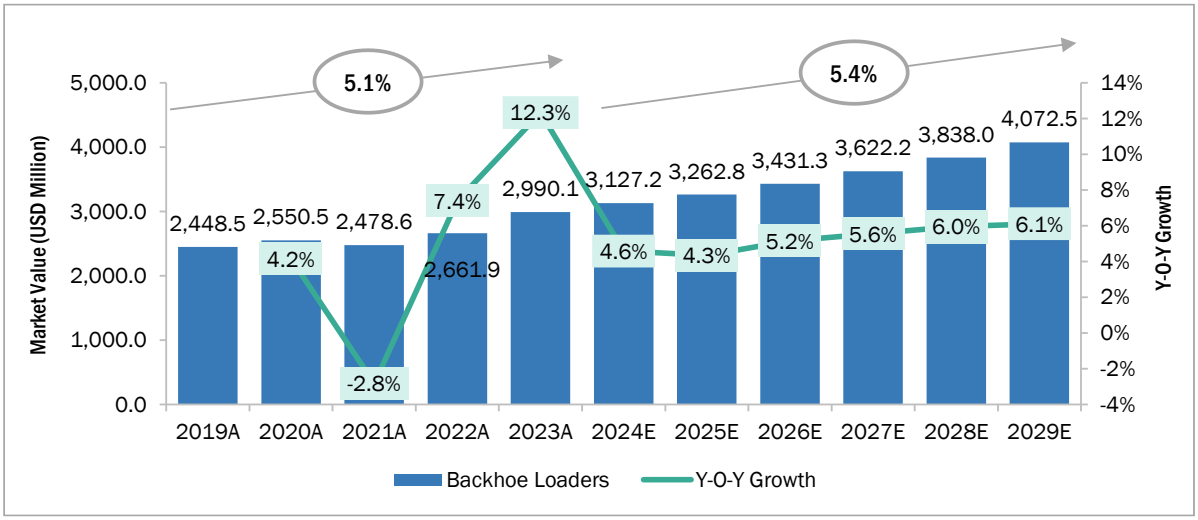
Backhoe Loaders

Indian Backhoe Loader Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and is inclusive of domestic sales and exports.

Indian Backhoe Loader Sales Market Size, by Value



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A-Actuals, E-Estimated. Data is given as per calendar year and is inclusive of domestic sales and exports.

Backhoe Loaders market is expected to grow from 46.7 thousand units in CY2023 to 61.8 thousand units by CY2029. Backhoe loaders contribute around 93% share of the Indian loaders market. The India backhoe loader market is dominated by the equipment in a range 71-80 HP.

Backhoe loaders combine the capabilities of a bulldozer, excavator, and loader in a single, compact unit. Backhoe loaders are also used in agricultural activities for tasks such as digging, trenching, and loading. The demand for backhoe loaders in India is influenced by a diverse range of factors, including government policies, infrastructure development initiatives, agricultural mechanization, and the broader economic conditions in the country. Small construction projects are expected to rise the demand for backhoe loaders due to their efficient use in material handling and digging applications. Increasing investment in natural gas pipeline projects across India is also estimated to fuel the demand for the backhoe loaders market.

The key OEMs offering backhoe loaders in India include JCBs with the widest range of backhoe loaders, including 2DX, 3DX, 3DX Plus, the 3DX Super, and the 4DX models. JCB recently launched CEV stage IV backhoe loaders. Case is the second largest manufacturer of backhoe loaders in India. The two OEMs contribute to >80% of the backhoe loader market in India. Tata Hitachi, ACE, Caterpillar, Bull Machine and Manitou are a few other players in the Indian backhoe loader market.

The backhoe loader market in India is expected to grow due to the government's significant investment in infrastructure development and the increasing dominance of the rental market, which offers cost savings and versatility.

Key Trends and Drivers in the Indian Construction Vehicle Market

OEMs Expanding Beyond Traditional Propulsion Offerings

The Indian construction vehicle industry is diversifying to cater to the growing demand for more energy-efficient machines, driven by sustainability and environmental concerns.

As per Markets and Markets analysis, the penetration of electric construction vehicles in India was not more than 0.5% in CY2023. Electric construction vehicles are preferred for being emission-free, noise-free and low maintenance. However, the electrification of construction vehicles is a challenge for manufacturers, since those vehicles require large battery capacities, facilitating heavy workloads.

Manufacturers are actively exploring vehicles that can run on alternative fuels, such as compressed natural gas ("**CNG**"), liquefied petroleum gas ("**LPG**"), liquefied natural gas ("**LNG**"), hydrogen, and various biofuels including ethanol, methanol, and biodiesel.

Prominent companies are developing fuel cell systems for heavy-duty and electric off-highway machinery. Leading producers of construction machinery have been increasing the range of electrical products they provide.

This comprises loaders, bulldozers, excavators, and other electric machinery. Additionally, startups and new players are joining the market, specializing - in electric construction vehicles.

Growth in the Compact Construction Vehicle Demand

The Indian construction market has experienced a steady transition from heavy construction vehicle to smaller construction vehicles, with rising demand for mini excavators, skid steer loaders, and less than 80HP wheeled loaders over recent years. The mini excavator share increased from 1.7% in CY2018 to 3.1% in CY2023. The segment has grown at a growth rate of 13-14% over the past five years. Similarly, skid steer loader sales have grown from 618 units in CY2018 to 763 units in CY2023, at a 5-6% growth rate over the past five years.

Sometimes, moving heavy construction machinery can be challenging, particularly in complex areas of compact cities or even rural regions. To address this issue, major construction vehicle manufacturers have concentrated on creating more compact equipment. In urban areas, compact construction vehicles are a suitable option as they are highly versatile, movable from one place to another, and easy to use. They can be used for utility, foundation work, landscaping, and indoor demolition or construction projects.

OEMs are in the process of realigning their product portfolio with smaller-size compact construction vehicles. One of the leading OEM offers extensive range of equipment in the mini excavator segment with capacities between 1.5 and 6 tons (t) and horsepower between 20 and 60 HP. Other OEM offers a large variety of small excavators, weighing between 0.8 and 6 tons.

Onboard Diagnostics of Equipment

Onboard diagnostics ("**OBD**") is a significant trend in the Indian construction vehicle market. This technology is particularly important in India, where the government has implemented stricter emission standards, and the construction industry is growing rapidly. Key benefits of OBD in construction vehicles include improved efficiency, enhanced maintenance, and environmental benefits. Various leading OEMs feature advanced OBD technology, providing real-time data on engine performance, fuel consumption, and other key metrics. This helps operators optimize machine performance and reduce costs.

Increase in Demand for Backhoe Loaders, Crawler Excavators and Motor Graders

Backhoe loaders, crawler excavators, and motor graders accounted for a share of 41.6%, 24.3% and 1.1% of total construction vehicles domestic market in CY2023, contributing to >67% of Indian construction vehicle domestic sales in the same year. The Indian government's focus on infrastructure development, including road and highway construction, is driving the demand for backhoe loaders, crawler excavators, and motor graders. The sales of backhoe loaders, crawler excavators, and motor graders are expected to continue to grow due to the increasing demand for infrastructure projects, including high-speed trains, metro-rail, and national highway construction.

Major construction vehicle manufacturers provide a wide range of backhoe loaders and crawler excavators. These manufacturers continuously strive to update and launch new products in the market. For instance, in CY2023, one of the leading OEMs launched a new line of BS4 backhoe loaders. The factors impacting the competition in the construction industry include increased demand for compact construction vehicles, increasing demand for rental vehicles, upcoming CEV V regulations, total cost of ownership, aftermarket services, and better financing options.

Rise in Demand for Earthmoving and Road Building Equipment

Earthmoving equipment accounts for >57% of India's construction vehicle market. Earthmoving equipment sales are expected to grow from 77.6 thousand units in CY2024 to 106.4 thousand units by CY2029 at a CAGR of 5.5%. The National Infrastructure Pipeline, GatiShakti, National Monetisation Pipeline ("**NMP**"), National Highways Development Project ("**NHDP**"), and the Pradhan Mantri Gram Sadak Yojana ("**PMGSY**") and other government infrastructure programs are driving significant investments in road building, railway infrastructure, and other infrastructure projects. The National Infrastructure Pipeline ("**NIP**") aims to invest Rs. 102 lakh crores in infrastructure projects between FY2020-2025. The National Highways Development Project ("**NHDP**") is a significant component of the NIP, with a planned investment of Rs. 5.35 lakh crore. The Pradhan Mantri Gram Sadak Yojana ("**PMGSY**") is another key component of the NIP, with a planned investment of Rs. 1.5 lakh crore.

These initiatives have led to an increase in the construction of roads, highways, railways, urban infrastructure, and rural infrastructure, which has, in turn, driven the demand for earthmoving equipment like backhoe loaders and crawler excavators, and road construction vehicles like motor graders and compactors.

Government Initiatives and Policies Impacting Market Growth

Key Central Sector Schemes Launched by the Government of India

Scheme	Details
Smart Cities Mission	The Smart Cities Mission is a central sector scheme launched in June 2015 to develop smart cities across the country, making them citizen-friendly and sustainable. As of June 2024, 7,132 out of 7997 tendered projects have been completed, utilizing Rs. 1,43,025 crores out of a total tendered amount of Rs. 1,64,119 crores. The 865 projects are currently ongoing and worth Rs. 21,094 crores.
Pradhan Mantri Awas Yojana ("**PMAY**")	The PMAY is a central sector scheme launched in June 2015 to facilitate access to affordable housing for the low and moderate-income residents of the country. As of June 2024, 118.64 lakh houses were sanctioned, 83.67 lakh houses were completed, and 163926 crore central assistance was released.
Atal Mission for Rejuvenation and Urban Transformation ("**AMRUT**")	The AMRUT is a central sector scheme launched in June 2015 to ensure that every household has access to a tap with an assured supply of water and a sewerage connection. The Ministry of Housing and Urban Affairs has approved State Annual Action Plans ("**SAAPs**") for all States and Union Territories amounting to Rs. 77,640 crores for the entire Mission period. The total indicative outlay for AMRUT 2.0 is Rs. 2,99,000 crores, which includes a Central share of Rs. 76,760 crores for the five-year period.
Pradhan Mantri Gram Sadak Yojana ("**PMGSY**")	The PMGSY stands as a transformative government scheme to enhance rural connectivity by constructing all-weather roads. As of March 2023, the total investment in PMGSY surpasses Rs. 2.36 lakh crore.
National Infrastructure Pipeline ("**NIP**")	The NIP aims to invest over Rs 100 lakh crore in infrastructure projects from FY2019 to FY2025, targeting a USD 5 trillion GDP by FY2024-25. Energy, roads, railways, and urban projects are estimated to account for around 70% of the total projects. The total capital outlay for NIP stood at USD 1,826 billion as of June 2023, with 9,742 projects.

Source: Ministry of Finance, ministry of Housing and Urban Affairs and Public Domain

Key Investments by the Government of India

Infrastructure	Ministry	Details
Roads and Highways	Ministry of Road Transport and Highways	The budget allocation for the Ministry of Road Transport and Highways for the financial year 2024-25 is Rs 2.78 lakh crore, which includes Rs 1.68 lakh crore allocated explicitly for the National Highways Authority of India ("**NHAI**"). This represents an increase from the previous financial year's allocation, where the highways ministry received Rs 2.70 lakh crore, and the NHAI was allocated Rs 1.62 lakh crore.
Mining and Quarrying	Ministry of Coal and ministry of mines	The allocation for the Ministry of Coal and the Ministry of Mines for the financial year 2024-25 is Rs 2,103 crore.
Housing and Urban Affairs	Ministry of housing and urban affairs	PMAY (Rural) is for rural India under the Ministry of Rural Development, and PMAY (Urban) is for the urban poor under the Ministry of Housing and Urban Affairs. The Housing and Urban Affairs Ministry will get Rs 77,523 crore in FY2024–25, an increase from Rs 76,431 crore in FY2023–24.
Airports	Ministry of Civil Aviation	The Ministry of Civil Aviation has been allocated Rs 3,113.36 crore in the Union Budget for the financial year 2024-25. This allocation is intended to support the development and modernization of aviation infrastructure, improve regional connectivity, and enhance the overall efficiency of the aviation sector in India.

Source: Indian Construction vehicle Manufacturers Association and Public Domain

Key Challenges and Threats in the Indian Construction Vehicle Market

Fluctuating Raw Material Prices

The construction vehicle industry in India heavily relies on raw materials such as steel, which accounts for a significant portion of the total cost of production. The recent surge in steel prices has led to a significant increase in the cost of production for construction vehicle manufacturers. For instance, the price of steel has increased by around 20% in the past year, which has resulted in a significant increase in the cost of production for construction vehicle manufacturers.

The impact of the increase in raw material prices has been felt across various types of construction vehicles. Backhoe loaders, a popular type of construction vehicle, have been particularly affected by the increase in raw

material prices. The cost of production for backhoe loaders has increased by around 15% between CY2022 and CY2023 that has resulted in a significant increase in the price of these machines.

Stringent Emission Norms

To meet the stringent CEV-IV emission standards, OEMs need to make significant changes to their engines and components, such as adopting common-rail fuel injection systems, exhaust gas recirculation ("**EGR**") for NOx reduction, and diesel oxidation catalysts ("**DOC**") and selective catalytic reduction ("**SCR**") for exhaust after-treatment systems. Incorporating these new technologies and components into equipment poses a huge challenge for OEMs due to the increased size and complexity. The CEV-IV norms primarily impact wheeled equipment like loader backhoes, vibratory compactors, and wheel loaders. The threshold for applicability has been lowered from engines above 50HP to those above 25HP, constituting almost one-third of the market.

As manufacturers invest in emission-reducing technologies and systems, the cost of producing compliant equipment can rise. This, in turn, can result in higher prices for farmers, potentially limiting their ability to invest in new machinery or upgrade their existing fleet.

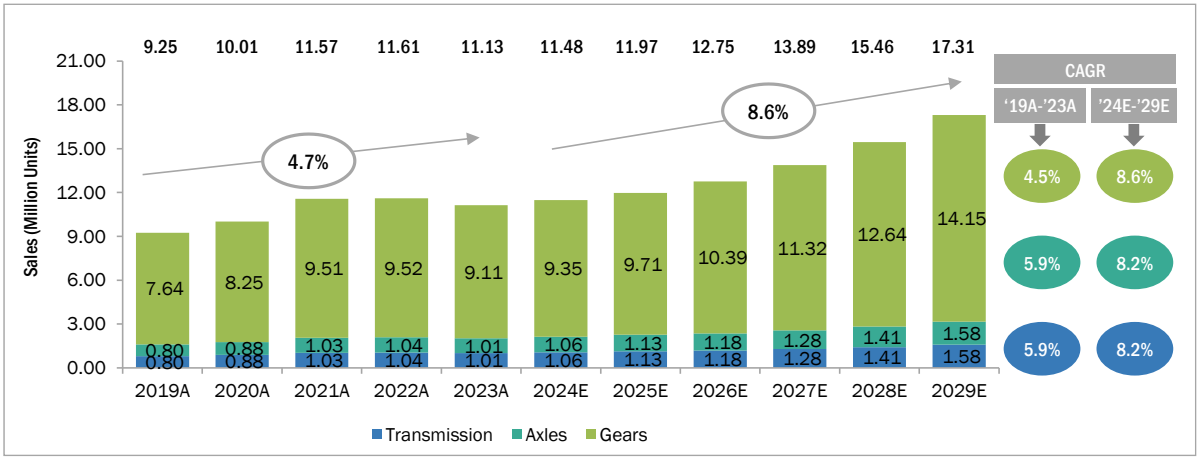
ANALYSIS OF THE INDIAN AGRICULTURAL TRACTOR COMPONENT MARKET

Indian Agricultural Tractor Component Market Overview

The scope of the study focuses on agricultural tractors and key components - transmissions, axles and gears. With the introduction of TREM-IV regulations, the growth in 41-50 HP tractor segment, increase in demand for 4WD tractors, OEMs building export capacities is also expected to bring a change in components industry.

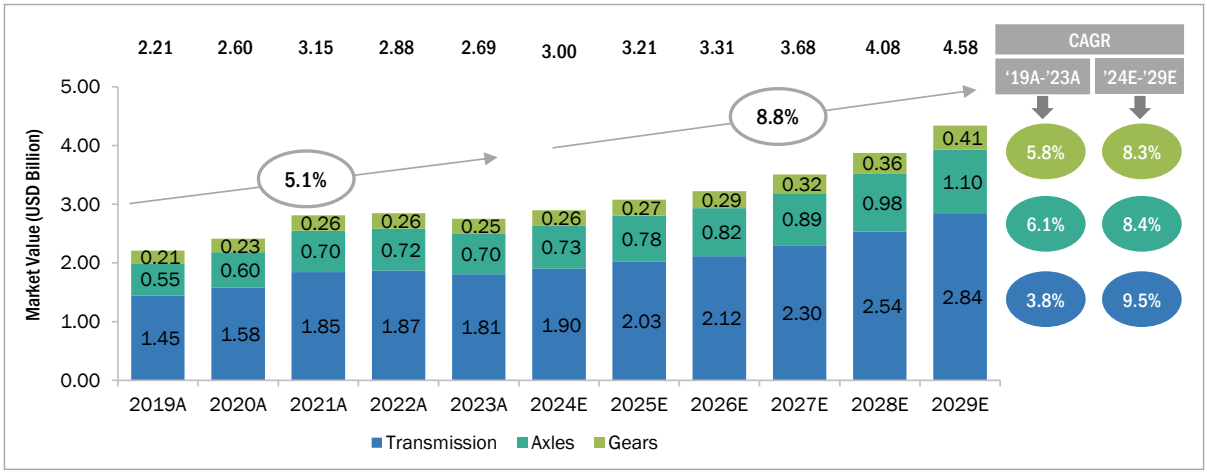
The growth of the Indian agricultural tractor component market is primarily driven by the overall expansion of the Indian tractor market. The Indian agricultural tractor market (unit sales) grew at a CAGR of 5.9% from CY2019 to CY2023. It is anticipated to continue this growth trajectory, with an expected CAGR of 8.2% from CY2024 to CY2029. The Indian agricultural tractor component market (unit sales) grew at a CAGR of 4.7% from CY2019 to CY2023. It is expected to grow at a CAGR of 8.6% between CY2024 and CY2029.

Indian Agricultural Tractor Component Sales Market Size, by Volume



Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components considered are transmission, axles and gears (including exports). The market size excludes aftermarket and direct exports of these components by non-captive players.

Indian Agricultural Tractor Component Sales Market Size, by Value



Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components considered are transmission, axles and gears (including exports). The market size excludes aftermarket and direct exports of these components by non-captive players

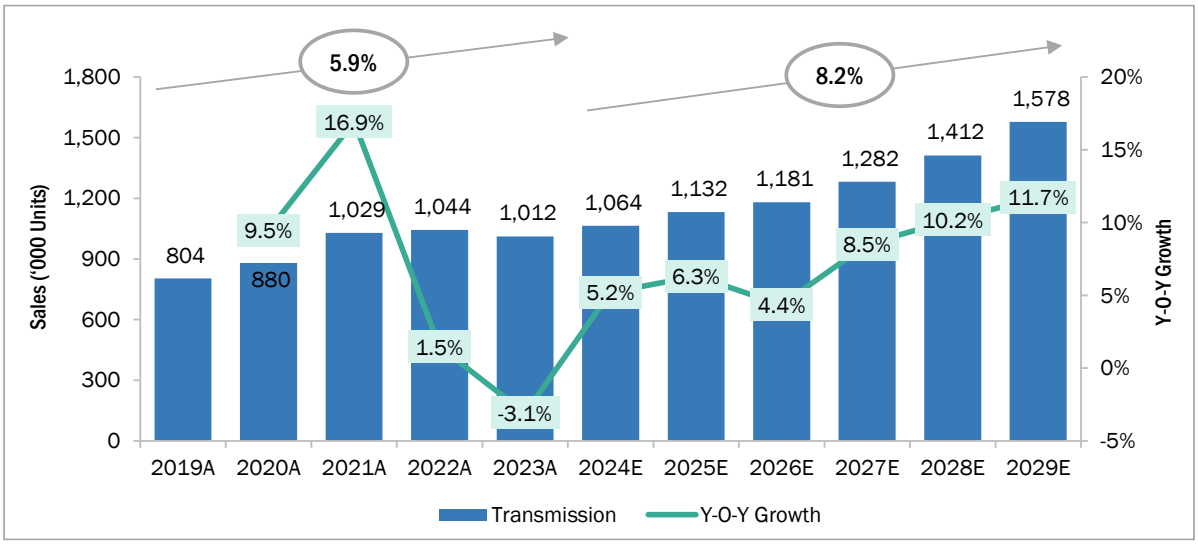
The agricultural tractor components market is expected to reach 17.3 million units in terms of volume by CY2029.

Majority of Indian tractors use gear-driven transmission as they are designed to handle rough terrain and sloping conditions. Power shuttle transmissions, which combine electronic controls with hydraulic clutch packs, are becoming increasingly popular in the tractor industry. These transmissions provide a clutch-less option for repetitive reverse and forward maneuvering, offering smooth operation and ease of use, particularly for applications like front-loader tasks that require frequent direction changes. There is a growing demand for high-quality axles and gears that can withstand harsh operating conditions and ensure efficient power transmission. Suppliers are focusing on developing products that meet international standards and trends, such as planetary gears for rear axles. Hence, the demand for tractor components is growing at a steady pace.

Market Segmentation

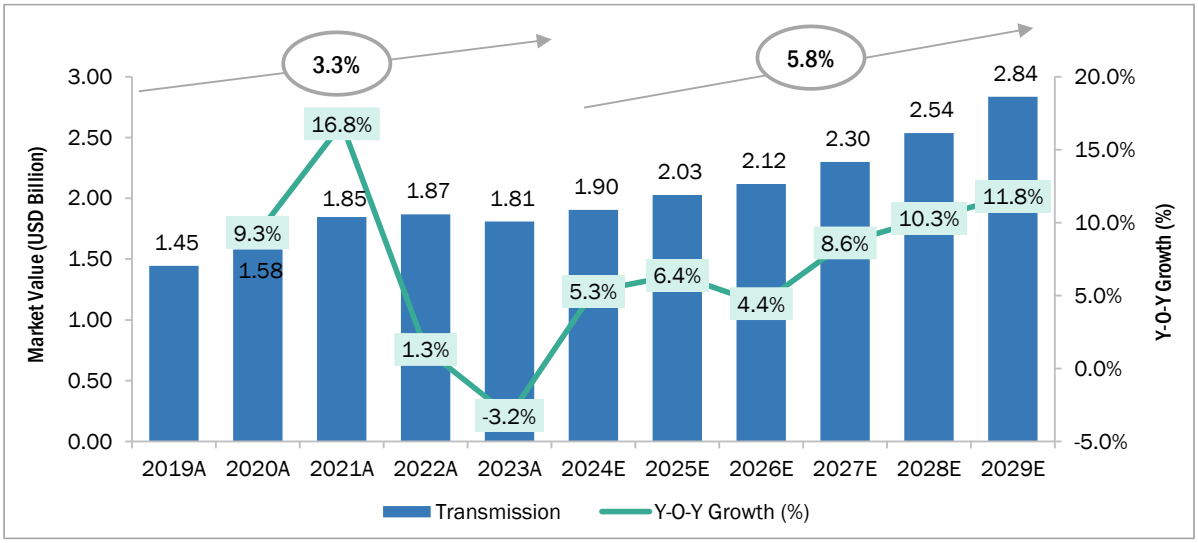
Transmission

Indian Agricultural Tractor Transmission Sales Market Size, by Volume



Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components market is inclusive of exports. The market size excludes aftermarket and direct exports of these components by non-captive players.

India Agricultural Tractor Transmission Sales Market Size, by Value

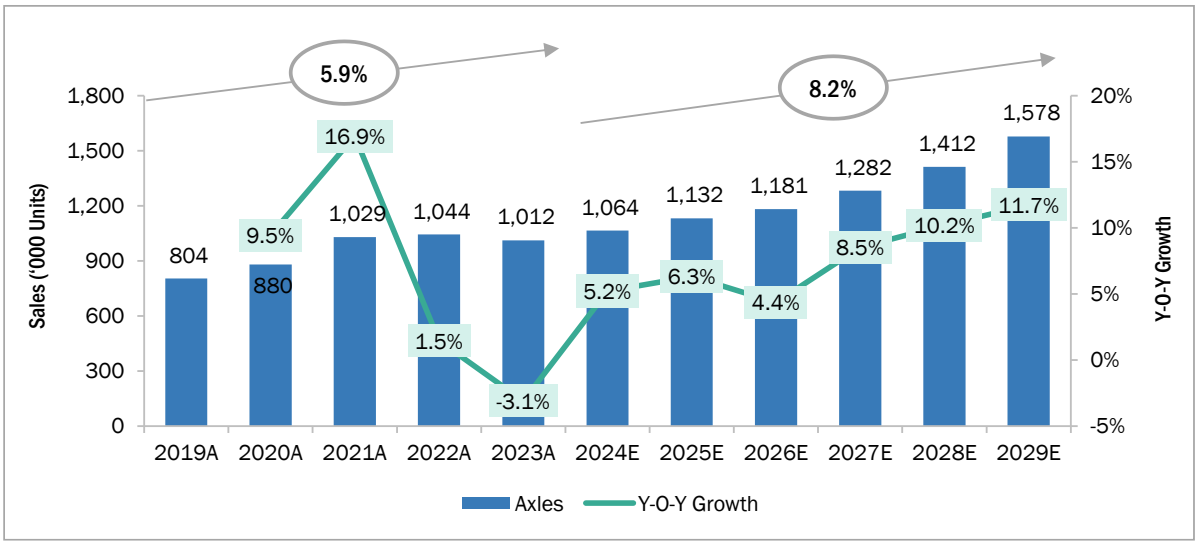


Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components market is inclusive of exports. The market size excludes aftermarket and direct exports of these components by non-captive players.

Tractors in India primarily use gear-driven transmission, which comes in different variants such as collar shift, power shift, synchro shift, and sliding gear. Tractors with 30-50HP power output primarily use gear-driven transmission. Hydrostatic transmission is predominant in compact tractors with <20 HP power output, as they offer ease of use, smooth operation, and precise speed control. The Indian tractor transmission market is captive, where almost all OEMs manufacture transmissions in-house.

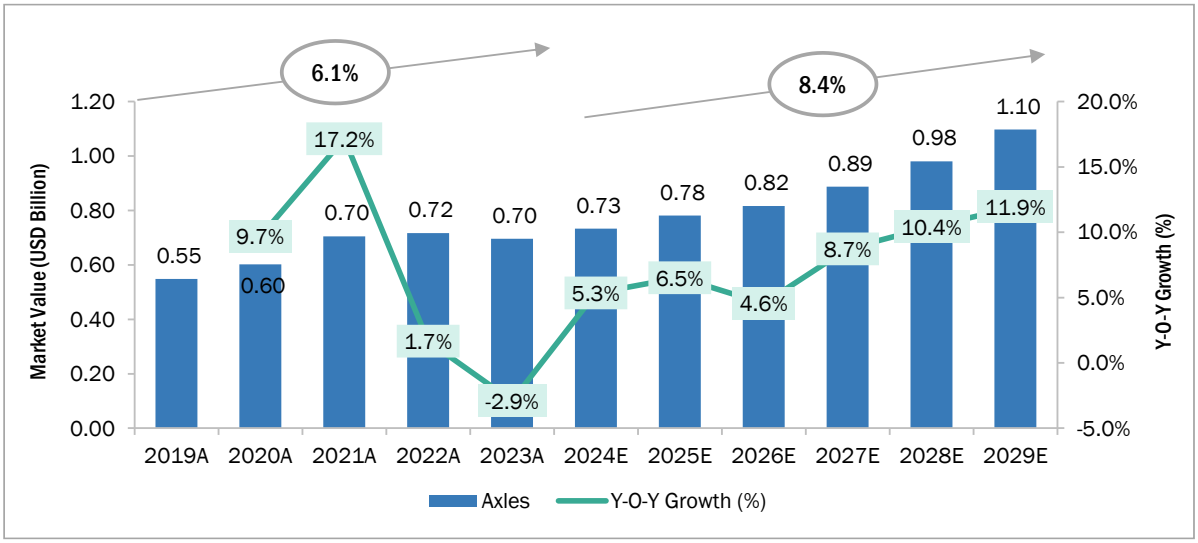
Axle

Indian Agricultural Tractor Axle Sales Market Size, by Volume



Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components market is inclusive of exports. The market size excludes aftermarket and direct exports of these components by non-captive players.

Indian Agricultural Tractor Axle Sales Market Size, by Value



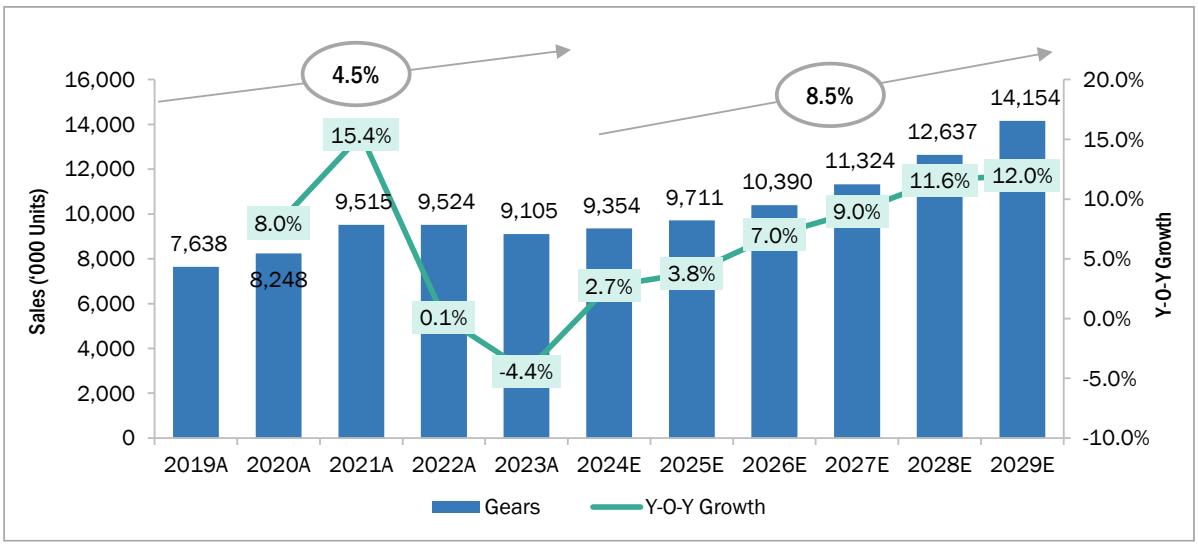
Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components market is inclusive of exports. The market size excludes aftermarket and direct exports of these components by non-captive players.

The tractor axles market is expected to reach 1,578 thousand units by CY2029. The demand for axles in the Indian tractor industry is expected to grow in line with the overall growth in tractor sales. The Indian tractor market is dominated by 2WD tractors; however, a notable shift in the market preference is being observed to 4WD tractors. This trend has been evident since CY2019 in the domestic market. Interestingly, the export market for tractors has been dominated by 4WD axles. As the export of tractors continues to grow, the demand for 4WD axles in the export segment is also expected to increase.

The leading axle suppliers in India include Carraro India, Dana India, ZF India. Mahindra & Mahindra and TAFE in India have in-house axle production facilities. Additionally, they also outsource axles for certain above 49HP 4WD tractor models. Carraro India is the major supplier of 4WD axles above 49HP tractors to Mahindra & Mahindra and Swaraj. Carraro India supplies all center drive axle whether portal or planetary axles to TAFE.

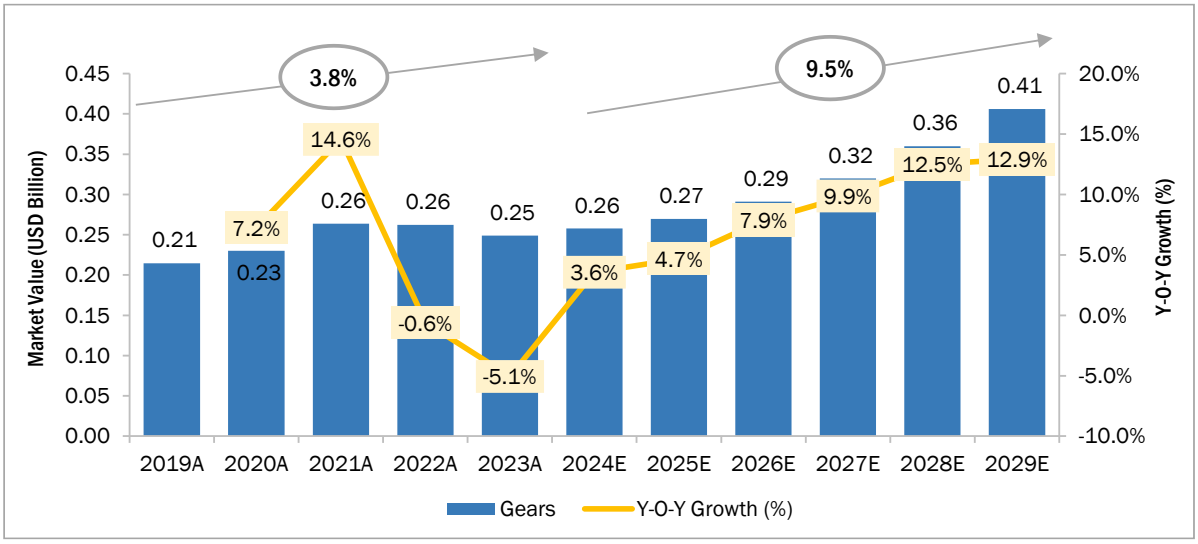
Gears

Indian Agricultural Tractor Gear Sales Market Size, by Volume



Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components market is inclusive of exports. The market size excludes aftermarket and direct exports of these components by non-captive players.

Indian Agricultural Tractor Gear Sales Market Share, by Value



Source: TMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The sales include agricultural tractors only and the components market is inclusive of exports. The market size excludes aftermarket and direct exports of these components by non-captive players.

Speed gear mechanism is evolving in India, shifting from a manual collar shift to a synchronizer shift. This evolution allows for easier and more precise synchro shift, improving operator comfort and efficiency. Manual transmission remains popular in India due to its simplicity, reliability, and lower cost compared to advanced transmission systems, contributing around 80-90% in the India market. The remaining transmission systems used are hydraulic and CVT transmission. Manual transmission involves the use of gears; on the other hand, hydraulic transmission doesn't involve the use of gears. The average number of gears used in an agricultural tractor in India is 9-12. Most of the tractor models by leading OEMs are employed with eight forward and two reverse gears. With the increasing demand for higher HP tractors in exports and domestic sales, leading tractor manufacturers are coming up with tractor models with CVT transmission and additional gears, majorly 12 forward and four reverse gears.

Key Trends and Growth Drivers in the Indian Agricultural Tractor Component Market

Rise in demand for electric tractor driveline

Growth of electric and hybrid electric tractors is likely to impact the transmission, standard drivelines, and portal axle market. Developments in electric variable transmission technologies to achieve top performances may further erode market share. For instance, in February 2024, John Deere introduced an Electric Variable Transmission ("**EVT**") on its larger 8 and 9 series model tractors. This innovation replaces the standard mechanical variable transmission with electric motors, enhancing efficiency and performance. Manufacturers can explore Electric Variable Transmission to meet the unique requirements of hybrid and electric tractors. As the electric tractor market expands, the demand for these specialized transmissions grows, contributing to increased revenue and overall market expansion. However, electric tractors in India are at a nascent stages with key manufacturers only showcasing prototypes. The electric tractors are expected to account for approximately 0.5% of tractor sales in India by CY2030.

Increase in demand for high horsepower tractors

In India, there is a rising demand for higher HP tractors due to TREM IV emission norms. The new TREM IV emission norms, which apply to tractors over 50 HP, are expected to increase the cost of these higher horsepower models. This price increase will potentially drive the domestic Indian market to shift towards sub-50 HP tractors that are not subject to the new regulations. However, the Indian tractor manufacturers have the technological know-how to meet the stricter TREM IV and upcoming TREM V emission standards, as their export models already comply with these norms. This positions them well to increase exports of their higher horsepower, TREM IV and TREM V compliant tractors, to developed markets.

These shifts will impact the tractor transmission and axle industry.

India tractor component exports are growing exponentially

The India agriculture component (transmission, gearboxes, and axle with differential) export market was also growing in CY2021. The major importer countries of India's agricultural tractor component are the US, Mexico, Germany, Turkey, Italy, Thailand, Spain, and France. The component export market is also growing, with India becoming a significant player in the global agricultural tractor component market. The country's tractor component manufacturers are expanding their production capacities to meet the growing demand, both domestically and internationally.

Captive vs non-captive trends in India tractor components

The shift from captive to non-captive tractor components is emerging in India, driven by factors such as the opportunity to leverage specialized suppliers' expertise and manufacturing capabilities, manage capacity constraints and meet growing demand, improve cost-efficiency, and focus on core competencies.

Captive Vs Non-Captive Sourcing in the Agricultural Tractor Components Market

Sourcing	Transmission	Axles	Gears
Inhouse (captive)	98-99%	70-75%	5-7%
Outsource (non-captive)	1-2%	25-30%	93-95%

Source: Markets and Markets Analysis and Public Domain. Note: The Axles and Transmissions manufactured by non-captive players but directly exported (not sold domestically to OEMs) is not included

KEY CHALLENGES AND THREATS FACING THE INDIAN AGRICULTURAL TRACTOR COMPONENT MARKET

Used tractor market reduces the demand for components

TREM V will lead to a price increase for tractors, as manufacturers need to invest in new technologies and emission control systems to meet the stricter emission standards. As a result, the farmers are expected to shift towards the used tractors market. Over 50 banks and Non-Banking Financial Companies ("**NBFCs**") provide financing options for the used tractor segment. Easy access to credit is crucial for the acquisition of used tractors, which plays a significant role in the rural lending segment. The component market, including transmission, axle, and driveline, may see a reduced OE demand due to the shift towards used tractors. In turn, this can also increase the aftermarket component demand.

Volatility in raw material prices

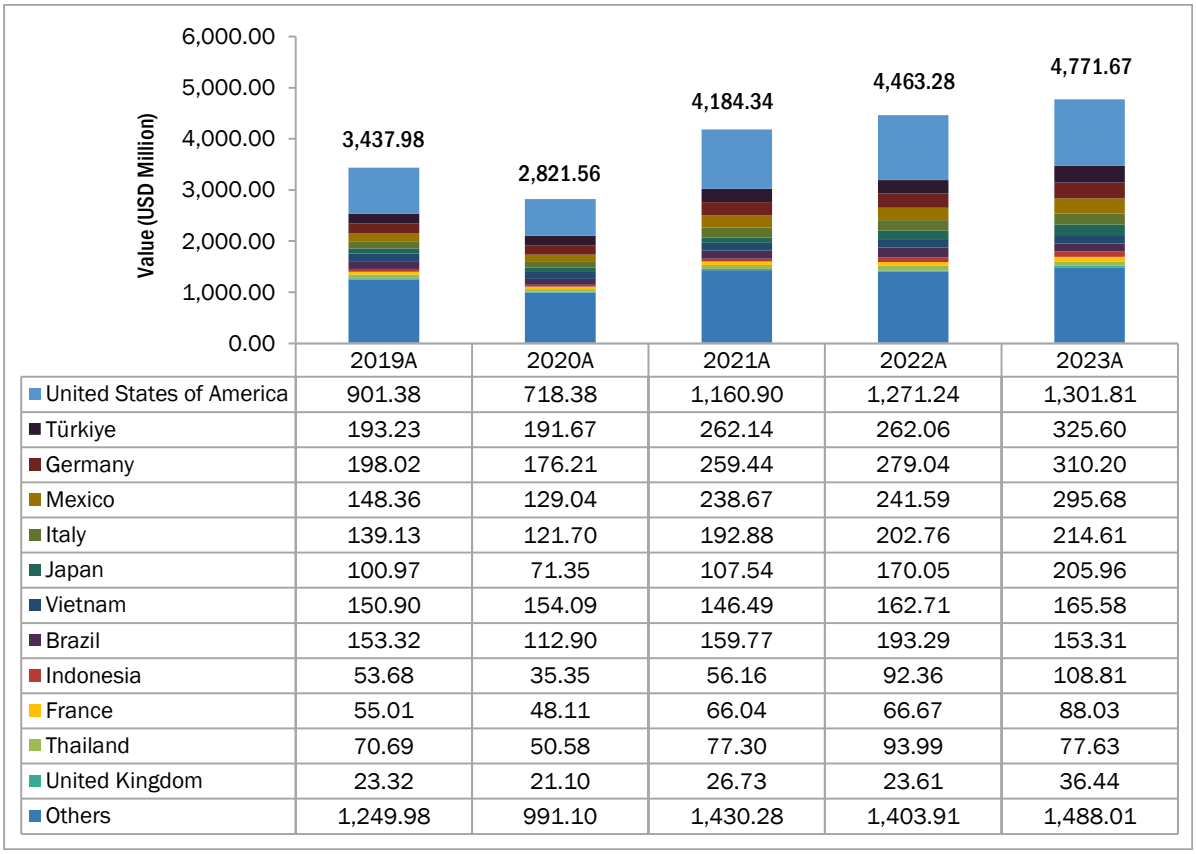
The operating margins of top OEMs in the tractor industry have been impacted over the last two fiscal years due to higher commodity prices, particularly steel and pig iron, which constitute 90% of the component costs. Recently, the prices of these materials have eased, potentially improving margins. However, demand for pig iron is expected to rise post-monsoon with increased steel demand, but export duties will keep prices under pressure. Additionally, high inflation, rising interest rates, and the Russia-Ukraine war have significantly reduced the demand for steel in major economies.

The pricing and availability of casting materials, including steel and other proprietary components, can be highly volatile due to numerous factors beyond the control of any individual company. These factors include general economic conditions, global production capacity, import levels, fluctuations in raw material costs, sales levels, competition, labor costs, trade policies, and foreign currency exchange rates. The ongoing conflict between Russia and Ukraine has disrupted global supply chains, leading to significant price increases for key commodities like oil, gas, steel, nickel, copper, and aluminum. These prices remain volatile as geopolitical tensions continue to escalate. Companies must closely monitor these market dynamics and be prepared to adapt their strategies accordingly.

These fluctuations could affect capital requirements for the manufacturing activities of farm tractor transmission and axle suppliers. Suppliers are also subjected to constant pressure from OEMs to reduce their prices. Established Tier-I suppliers have pricing adjustment programs with OE customers; however, the profitability of suppliers may be adversely affected if the rising costs of raw materials are not successfully mitigated.

Key Export Markets for Indian Agricultural Tractor Components

Indian Agricultural Tractors Component Sales (Exports) Market Size, by Country and Value



	2019A	2020A	2021A	2022A	2023A
United States of America	901.38	718.38	1,160.90	1,271.24	1,301.81
Türkiye	193.23	191.67	262.14	262.06	325.60
Germany	198.02	176.21	259.44	279.04	310.20
Mexico	148.36	129.04	238.67	241.59	295.68
Italy	139.13	121.70	192.88	202.76	214.61
Japan	100.97	71.35	107.54	170.05	205.96
Vietnam	150.90	154.09	146.49	162.71	165.58
Brazil	153.32	112.90	159.77	193.29	153.31
Indonesia	53.68	35.35	56.16	92.36	108.81
France	55.01	48.11	66.04	66.67	88.03
Thailand	70.69	50.58	77.30	93.99	77.63
United Kingdom	23.32	21.10	26.73	23.61	36.44
Others	1,249.98	991.10	1,430.28	1,403.91	1,488.01

Source: International Trade Center and Markets and Markets Analysis. Note: A -Actuals. Data is given as per calendar year. 1.The export data is mapped for HS CODE- 870899 (Parts and accessories, for tractors), HS CODE- 870840 (Gear boxes and parts thereof, for tractors). HS CODE- 870850 (Drive-axles with differential, whether or not provided with other transmission components, and non-driving axles, and parts thereof, for tractors).

In CY2019, parts of farm tractor component exports (HS Code 870899, 870840, 870850) amounted to USD 3,438.00 million, which represented a notable decrease of approximately 18% to USD 2,821.56 million in CY2020. Furthermore, there was strong growth in CY2021, with exports rising to USD 4,184.34 million. There was a significant increase in CY2022 in exports of approximately 8%, reaching USD 4,463.28 million.

In CY2023 around 56% of India's farm tractor component exports were directed to six countries: the United States of America (27%), Mexico (6%), Germany (7%), Türkiye (7%), Italy (4%), and Japan (4%). These countries have consistently been top destinations for Indian farm tractor component exports. Additionally, exports to countries such as Australia, Angola, Mexico, and Greece significantly increased from CY2018 to CY2023. Conversely, exports to France, the UK, and the UAE decreased notably during the same period.

The fabrication of Indian tractor components is a crucial step in their export to the US. Indian tractor manufacturers are renowned for producing high-quality parts using advanced manufacturing processes and technologies. These components are rigorously tested to ensure reliability and longevity, making them suitable for various tractor models. The excellence in manufacturing allows Indian tractor components to meet international standards and compete effectively in global markets.

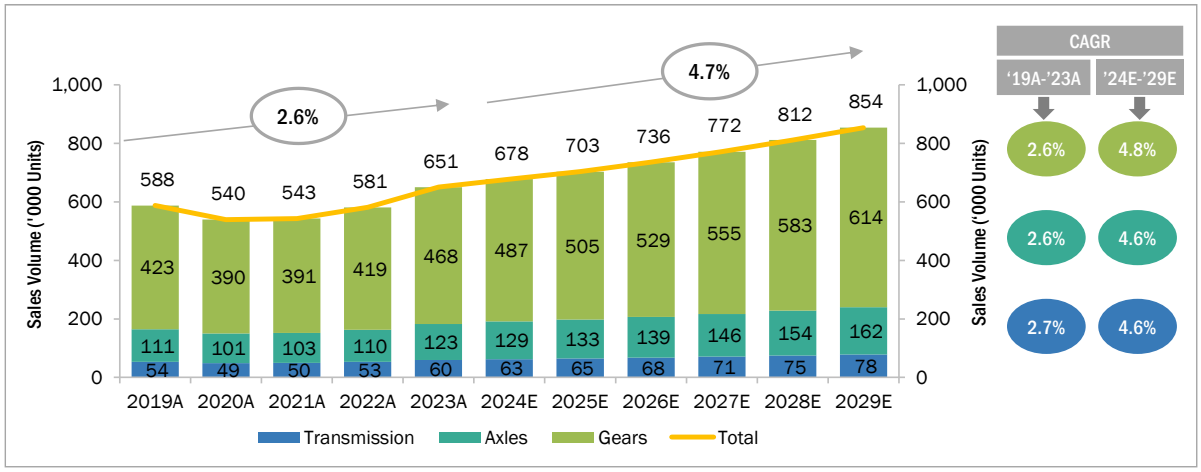
ANALYSIS OF THE INDIAN CONSTRUCTION VEHICLE COMPONENT MARKET

Indian Construction Vehicle Component Market Overview

The Indian construction vehicle industry is poised for significant growth, driven by an expanding economy, supporting government initiatives, rising urbanization and industrialization, and large-scale infrastructure projects. The India construction vehicle sales are expected to grow from 109,028 units in CY2023 to 147,447 units by CY2029 at a projected CAGR of 5.0%. The components market will grow in line with the construction

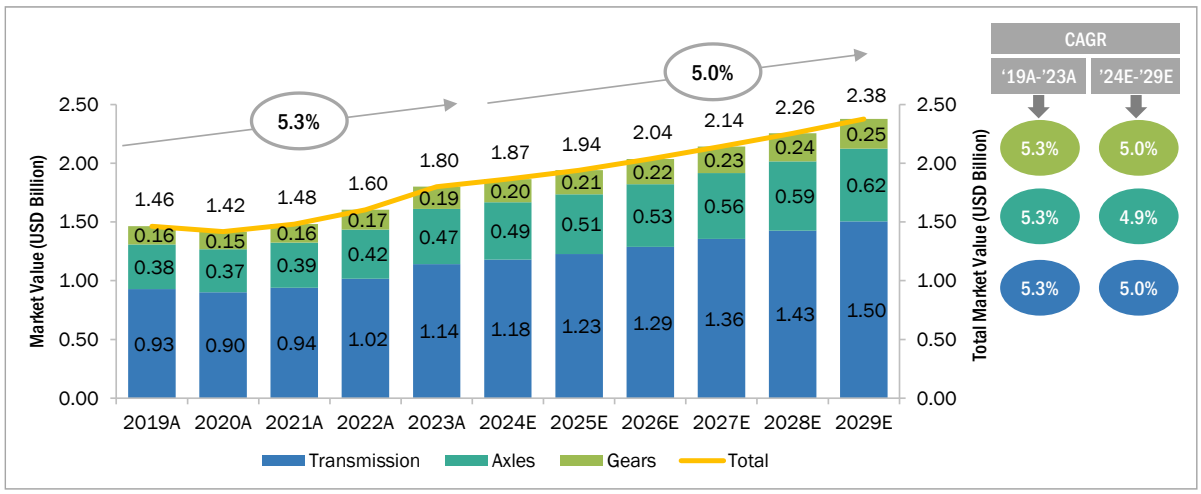
vehicle domestic sales and exports. With the upcoming CEV-V regulations in India, the demand for advancements in the components is expected to rise. Engine and transmissions will need a redesign to meet the new emission standards, such as using more efficient transmission systems that includes automatic transmissions, power shift transmissions, infinitely variable transmissions, and ECUs to improve productivity.

Indian Construction Vehicle Component Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The component market size is estimated for select Construction Vehicles – Backhoe Loaders, Motor Graders, Soil Compactors, Wheeled Loaders, Wheeled Excavators, Telehandler, Self-Loading Concrete Mixers. The components considered are transmission, axles and gears (including exports). The market size excludes aftermarket and direct exports of these components by non-captive players.

Indian Construction Vehicle Component Sales Market Size, by Value



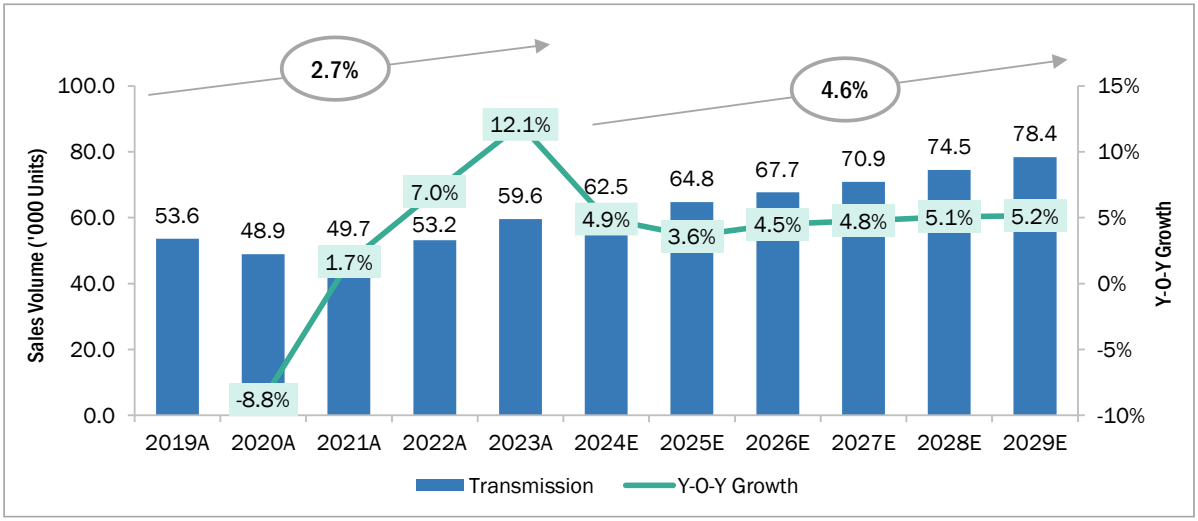
Source: ICEMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The component market size is estimated for select Construction Vehicles – Backhoe Loaders, Motor Graders, Soil Compactors, Wheeled Loaders, Wheeled Excavators, Telehandler, Self-Loading Concrete Mixers. The components considered are transmission, axles and gears (including exports). The market size excludes aftermarket and direct exports of these components by non-captive players.

The construction vehicles components market is expected to reach 854 thousand units by CY2029. Most of the OEMs outsource the transmission and axles from suppliers; and this trend is expected to continue. Even the major OEMs who manufacture components inhouse are moving towards outsourcing of components. The construction vehicles gearbox (transmission, axles, gears) trend is shifting towards automated and advanced gearboxes that offer improved efficiency and productivity. Most construction vehicles are employed with manual and hydrostatic transmission. In the case of hydrostatic transmission, there are a smaller number of mechanical gears for its functioning.

Market Segmentation

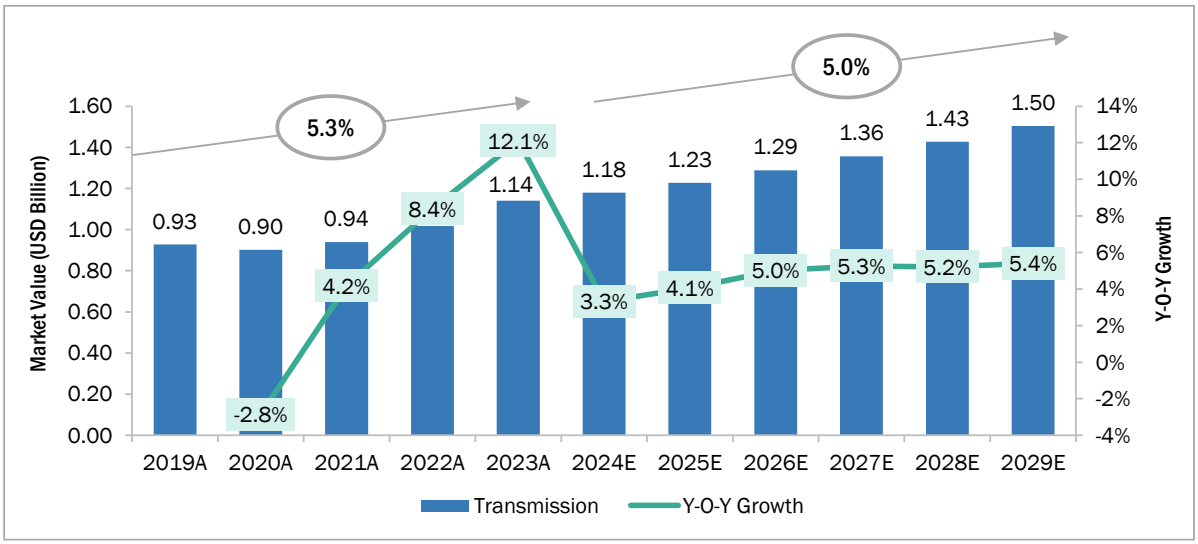
Transmission

Indian Construction Vehicle Transmission Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The transmission market size transmissions for select construction vehicles – backhoe loaders, motor grader, telehandler, wheeled loader, and self-loading concrete mixers. The market is inclusive of exports but excludes aftermarket and direct exports of by non-captive players.

Indian Construction Vehicle Transmission Sales Market Size, by Value



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The transmission market size for select construction vehicles – backhoe loaders, motor grader, telehandler, wheeled loader, and self-loading concrete mixers. The market is inclusive of exports but excludes aftermarket and direct exports of by non-captive players.

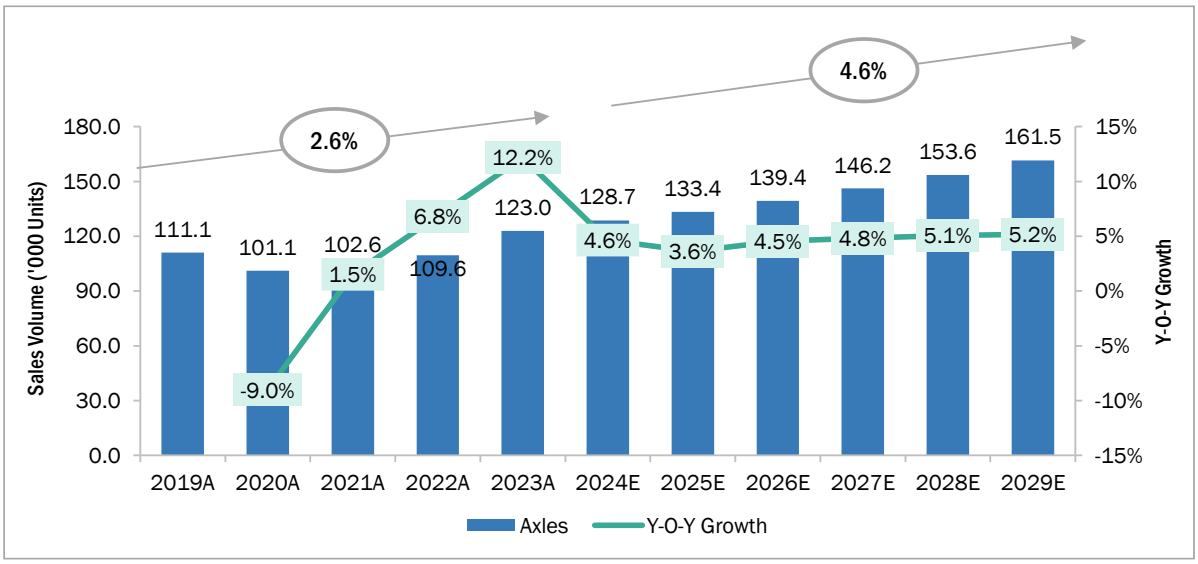
The functionality of vehicles is significantly impacted by the transmission capabilities, particularly in high-frequency and heavy applications, which directly affects productivity and overall vehicle efficiency. The key components in a drive line of the construction vehicle's transmission system are front and rear axles with planetary gears, differential brakes, transmission shaft, clutch, and torque converters.

The India construction vehicles transmission component market is expected to grow from 59.6 thousand units in CY2023 to 78.4 thousand units by CY2029. The construction vehicles, such as backhoe loaders and crawler excavators -that contribute to the largest share in India construction vehicles, use hydraulic and automatic transmissions. Major providers of transmission solutions are drawn to the Indian market due to the significant growth prospects for their services and products.

There are growing opportunities for transmission solution providers as OEMs focus more on fuel efficiency and productivity solutions. The revival of industry growth trends and positive signs in infrastructure and mining segments are expected to drive demand for new transmission products in the construction and mining vehicles segment.

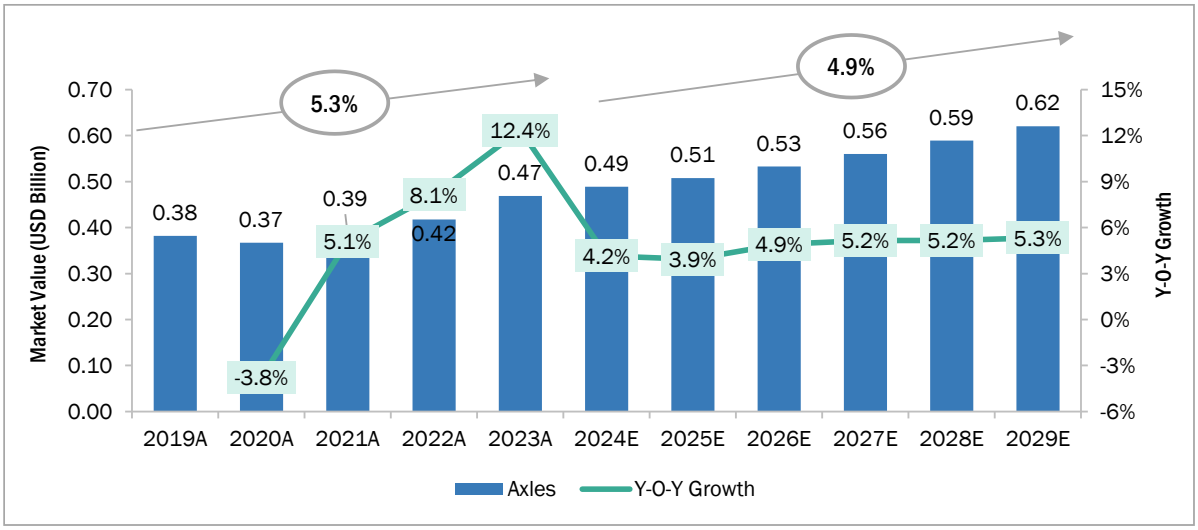
Axles

Indian Construction Vehicle Axle Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The axles market size for select construction vehicles – backhoe loaders, motor grader, telehandler, wheeled loader, and self-loading concrete mixers. The market is inclusive of exports but excludes aftermarket and direct exports of by non-captive players.

Indian Construction Vehicle Axle Sales Market Size, by Value



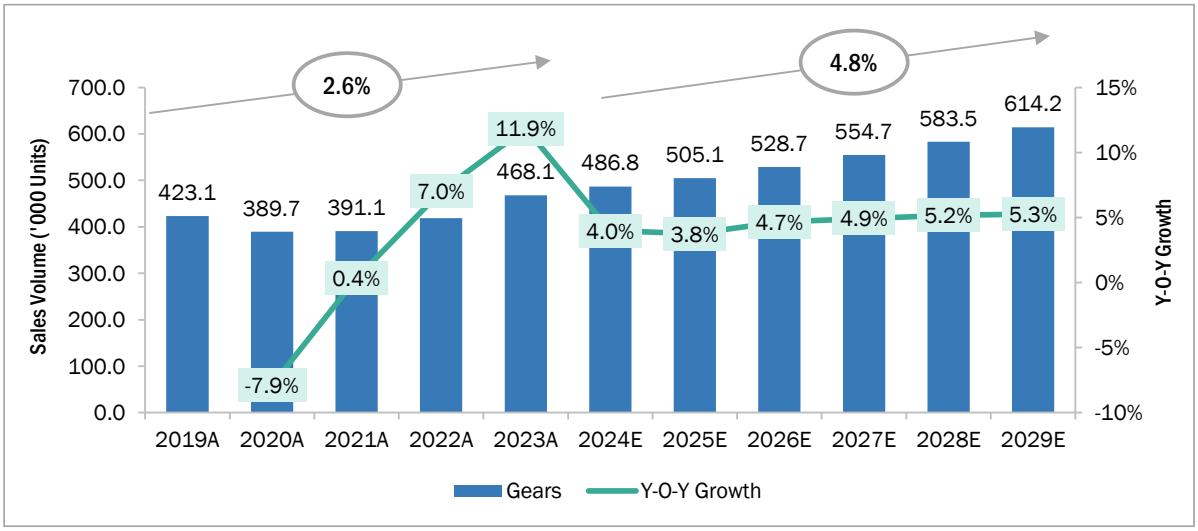
Source: ICEMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The axles market size for select construction vehicles – backhoe loaders, motor grader, telehandler, wheeled loader, and self-loading concrete mixers. The market is inclusive of exports but excludes aftermarket and direct exports of by non-captive players.

Axles play a vital role in automobile design, serving multiple functions such as load bearing, steering, safety, comfort, and power delivery. The design of axles directly impacts both fuel efficiency and performance, prompting ongoing research and development in this area to optimize their performance and efficiency. The India construction vehicle axle market is expected to reach 162 thousand units by CY2029.

Suppliers are focusing on using lightweight materials to reduce the overall weight of axles, enhancing fuel efficiency and performance. Additionally, the use of advanced materials and technologies is becoming more prevalent in axle design, leading to improved durability and reliability. The key axle/axle component suppliers in India are Carraro India, Dana India and ZF India. The top 2 suppliers contribute around 80-85% of the Indian construction vehicles axle suppliers' market volume. Carraro India is one of leading players of complete axle supplier in off highway construction vehicle segment.

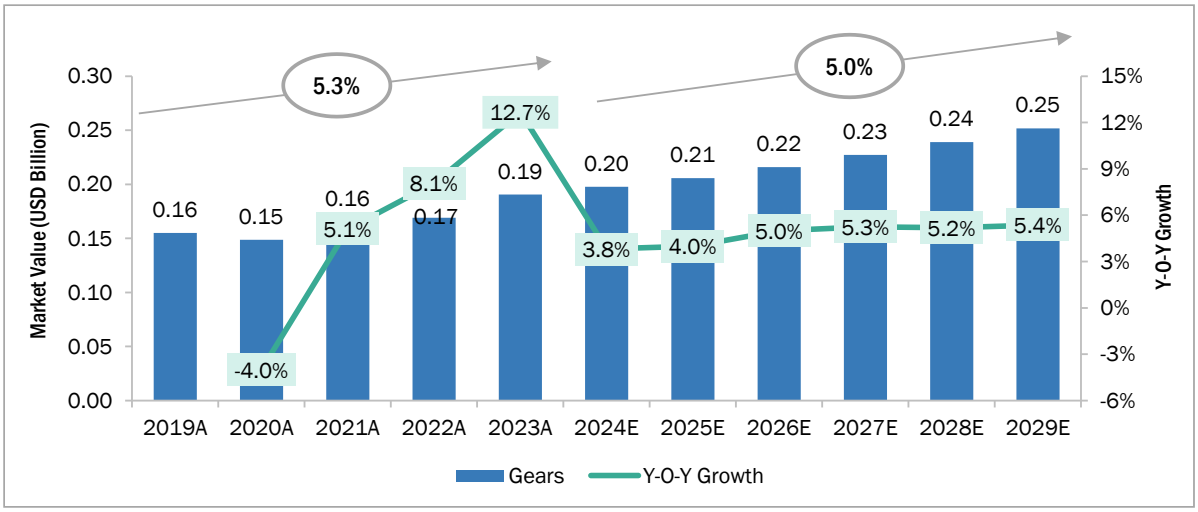
Gears

Indian Construction Vehicle Gear Sales Market Size, by Volume



Source: ICEMA, Industry and Markets and Markets Analysis. Note: A -Actuals, E-Estimated. Data is given as per calendar year. The gears market size for select construction vehicles – backhoe loaders, motor grader, telehandler, wheeled loader, and self-loading concrete mixers. The market is inclusive of exports but excludes aftermarket and direct exports of by non-captive players.

Indian Construction Vehicle Gear Sales Market Size, by Value



Source: Markets and Markets Analysis and Public Domain; Note: A -Actuals, E-Estimated. Data is given as per calendar year. The gears market size for select construction vehicles – backhoe loaders, motor grader, telehandler, wheeled loader, and self-loading concrete mixers. The market is inclusive of exports but excludes aftermarket and direct exports of by non-captive players.

Gears used in construction vehicles are of different types: spur gears, helical gears, bevel gears, worm gears, rack, and -pinion gears. The Indian construction vehicle gears market is expected to reach 614.2 thousand units by CY2029. The hydrostatic transmission used in backhoe loaders and wheeled loaders eliminates the need for gears for its smooth functioning. Backhoe loaders in India primarily use hydrostatic transmission.

The key suppliers for gear are Bharat Gears Limited ("**BGL**"), Ashoka Engineering Works and Carraro India. Stricter emission regulations, such as CEV-V in India, will require construction vehicle manufacturers to use more efficient and eco-friendly gear technologies. Continued development of gear technologies, such as improved materials, advanced manufacturing techniques, and integrated electronic controls, to enhance performance, efficiency, and reliability.

Key Trends and Drivers in the Indian Construction Vehicle Component Market

Electrification of construction vehicles

The construction industry is a significant contributor to greenhouse gas emissions, and the shift towards electric construction vehicles is seen as a crucial step towards reducing these emissions and promoting sustainability. Backhoe loaders, skid steer loaders, mini excavators, wheeled excavators, and cranes are the primary vehicles expected to shift towards electrification.

Hydrostatic transmissions and torque converter transmissions are used in ICE-powered construction vehicles. When electrified, both transmissions will be replaced with an electric gearbox and electric motor.

Electric vehicles require electric transmission, motor, inverter, controller, and energy management software to ensure optimized vehicle performance. The ICE operated backhoe loader is fitted with torque converter transmission and ECU, whereas the electric backhoe loader requires electric gearbox, electric motor, and ECU.

The primary electric components of construction vehicles are axles, motors, and electric transmission. Electrification could potentially impact construction vehicle component manufacturers in the longer run, as more than 90% of the component manufacturers produce non-electrified traditional construction vehicle components.

Many component suppliers have started developing their product portfolios anticipating growing demand for electrification in construction vehicle industry. For instance, at the Excon 2023, suppliers showcased a range of EV technologies such as wheel drives for electric mobile elevated work platforms, e-transmission for a wide range of construction vehicles, axles for wheel loaders, low/high voltage motors and inverters, and drum drives for compaction vehicles. In Dec 2023, a drive system manufacturer introduced a new electric drive system for compact loaders and dumpers, an electric central drive system for backhoe loaders, and an electro-mechanical powershift transmission and traction motor for mid-sized wheel loaders.

Thus, the rise in the electrification of construction vehicles is expected to diversify the product portfolio of component manufacturers to meet the anticipated demand for construction vehicles.

Rise in demand for backhoe loaders and crawler excavators

Within the construction vehicle market, there is a rise in demand for backhoe loaders and crawler excavators due to accelerated infrastructure development and favorable government initiatives. The Production-Linked Incentive ("**PLI**") scheme for heavy vehicle (such as backhoe loaders, excavators, wheeled loaders, blast-hole drills, bucket-wheel excavators, dozers, highway miners, and large mining trucks) is expected to bolster India's infrastructure growth. This scheme aims to enhance the production capabilities and competitiveness of India's heavy vehicles manufacturing sector.

In CY2023, the backhoe loader and crawler excavator sales contributed more than 65% of India's construction vehicle sales. In CY2023, the domestic sales of backhoe loaders saw a rise of 10.2% from 38,121 units in CY2022 to 42,000 units. A surge in demand for backhoe loaders will positively impact demand for components, such as the axle, transmission and drive system. One backhoe loader requires two axles and one transmission, a compact wheeled loader requires two axles, a telescopic boom handler requires two axles and one transmission, a wheeled excavator requires two axles, and a soil compactor requires one axle. Each piece of vehicle incorporates a combination of axles and either hydrostatic or hydrokinetic transmission with a torque converter. The operation can be managed in semi-automatic or fully automatic mode via an electronic control unit that oversees the entire system. This integration allows for efficient and flexible control of vehicle dynamics, enhancing performance and adaptability in various operating conditions.

Crawler excavators also saw significant growth, in CY2023, the market for crawler excavators grew at 2.4% y-o-y from 23,928 units to 24,500 units. This rise will lead to a boost in the demand for the components used in crawler excavators.

Urbanization and investments in infrastructure are driving the construction sector, creating opportunities for the crawler excavator market. Exploration activities are increasing with the implementation of 400 mineral exploration projects, which will lead to a high demand for crawler excavators across India. Hence, the rise in the sale of backhoe loaders and crawler excavators will significantly increase demand for the components.

The domestic and export sales of construction vehicles in India are rising. The sales of these vehicles are also creating major demand for construction vehicle components such as transmission, axles, and gears. Dana India, ZF India, and Carraro India are some of the major component manufacturers of construction vehicles. These companies are developing their product portfolio and expanding their production facility in India.

Key Challenges and Threats in the Indian Construction Vehicle Component Market

Supply chain disruptions

The construction vehicles require various components imported from different countries depending on the requirement and cost of materials. Supply chain challenges, emerging from natural disasters, the global Covid-19 pandemic, trade disputes, and transportation issues, led to widespread disruptions such as factory closures, labor shortages, and transportation delays. The war in Ukraine and other geopolitical tensions have also disrupted global supply chains due to sanctions, trade restrictions, and increased shipping costs.

The shortages and delays in obtaining critical materials and vehicles due to supply chain disruptions have caused many construction projects to be delayed or even canceled altogether. This directly reduces the demand for construction components as projects are put on hold. Lockdowns have caused site operations to be suspended, leading to delays in construction projects.

Increasing demand for rental vehicles

The CEV V emission norms are expected to be implemented in January 2025. It leads to a requirement for more advanced engine technologies and emission control systems, such as selective catalytic reduction ("**SCR**") systems and diesel particulate filters ("**DPF**"). Implementing these advanced technologies necessitates changes in engine design and manufacturing processes. It could lead to higher production costs for construction vehicles manufacturers.

A share of the market will shift towards more price competitive rental or used construction vehicles. Therefore, an increase in the rental business of construction vehicles will hamper the growth of the component market, as fewer sales of new construction vehicles will result in lower demand for components.

Captive vs non-captive trends in India construction vehicle components

Outsourcing component manufacturing to specialized suppliers can be more cost-effective, particularly for smaller construction vehicles manufacturers. Suppliers often have the advantage of economies of scale and specialized expertise, which they can leverage to provide components at competitive prices. Outsourcing transmission and powertrain component manufacturing allows construction vehicle OEMs to focus on their core competencies in vehicle design, assembly, and integration. This enables them to allocate resources more efficiently and avoid the need to invest in in-house production facilities. By partnering with specialized component suppliers, construction vehicles OEMs can gain access to the latest technologies and innovative solutions developed by these suppliers. Outsourcing allows OEMs to benefit from the continuous research and development efforts of their suppliers, ensuring that their equipment incorporates cutting-edge powertrain technologies.

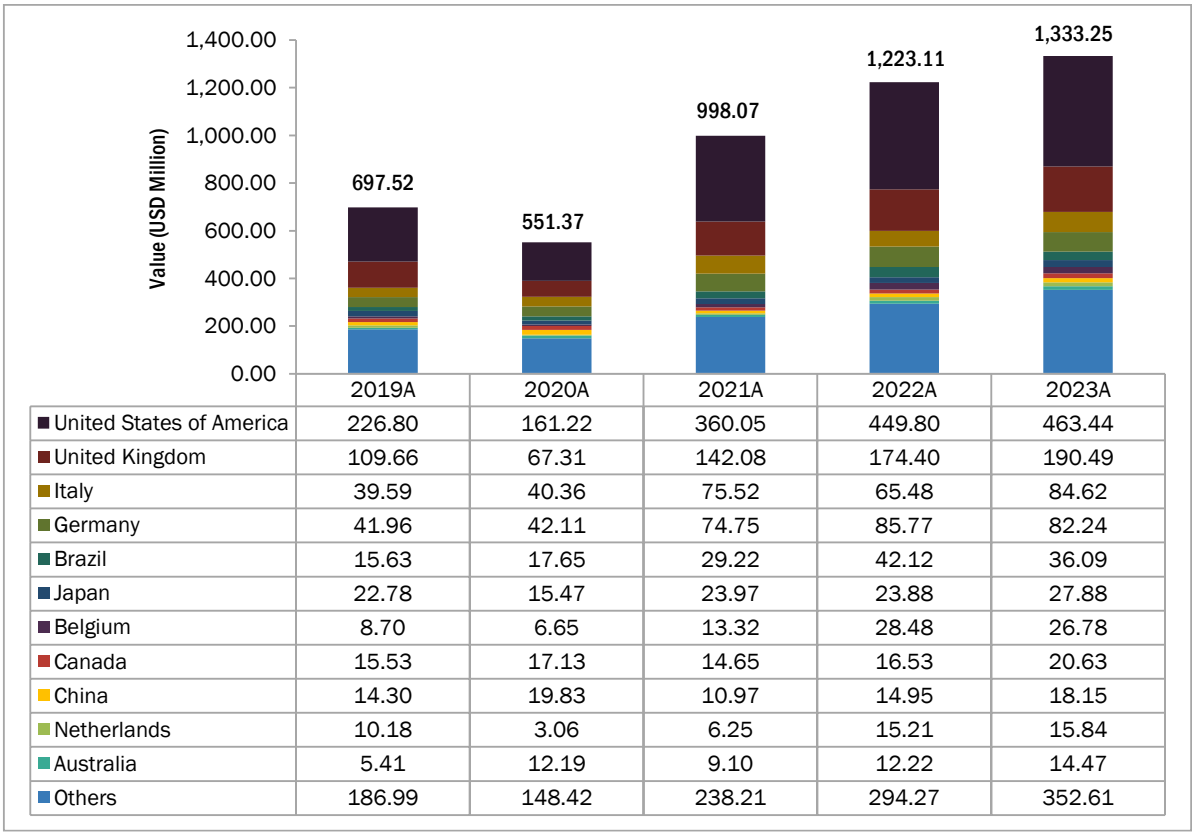
Captive vs non-captive sourcing in the construction vehicle components market

Sourcing	Transmission	Axles	Gears
Inhouse	60-65%	45-50%	5-7%
Outsource	35-40%	50-55%	93-95%

Source: Insights from primary experts. Note: The Axles and Transmissions manufactured by non-captive players but directly exported (not sold domestically to OEMs) is not included

Key Export Markets for Indian Construction Vehicle Components

Indian Construction Vehicle Component Sales (Exports) Market Size, by Country and Value



	2019A	2020A	2021A	2022A	2023A
United States of America	226.80	161.22	360.05	449.80	463.44
United Kingdom	109.66	67.31	142.08	174.40	190.49
Italy	39.59	40.36	75.52	65.48	84.62
Germany	41.96	42.11	74.75	85.77	82.24
Brazil	15.63	17.65	29.22	42.12	36.09
Japan	22.78	15.47	23.97	23.88	27.88
Belgium	8.70	6.65	13.32	28.48	26.78
Canada	15.53	17.13	14.65	16.53	20.63
China	14.30	19.83	10.97	14.95	18.15
Netherlands	10.18	3.06	6.25	15.21	15.84
Australia	5.41	12.19	9.10	12.22	14.47
Others	186.99	148.42	238.21	294.27	352.61

Source: International Trade Center and Markets and Markets Analysis. Note: A -Actuals. Data is given as per calendar year. The export data is mapped for HS CODE- 848390 (Toothed wheels, chain sprockets, parts of transmission shafts), HS CODE- 843149 (parts of machinery heading 8426, 8429, 8430). HS CODE- 843120 (parts of fork-lift trucks and other works trucks fitted with lifting of handling vehicles).

In CY2020, parts of construction vehicles component exports (HS Code 848390, 843149, 843120) amounted to USD 551.37 million, a notable decrease (approximately 21%) from USD 697.52 million in CY2019. Furthermore, there was strong growth in CY2021, with exports rising to USD 998.07 million. There was a significant increase of 22.5% in exports reaching USD 1,223.11 million in CY2022, growing further at 9% to USD 1,333.25 million in CY2023.

In CY2023, around 64% of India's construction vehicle component exports were directed to countries: the United States of America (35%), the UK (14%), Germany (6%), Italy (6%), and Brazil (3%). These countries have consistently been top destinations for Indian construction vehicle component exports. Additionally, exports to countries such as Belgium, Netherlands, Australia, Canada, and China significantly increased from CY2019 to CY2023. Conversely, exports to Indonesia decreased notably during the same period.

COMPETITIVE LANDSCAPE

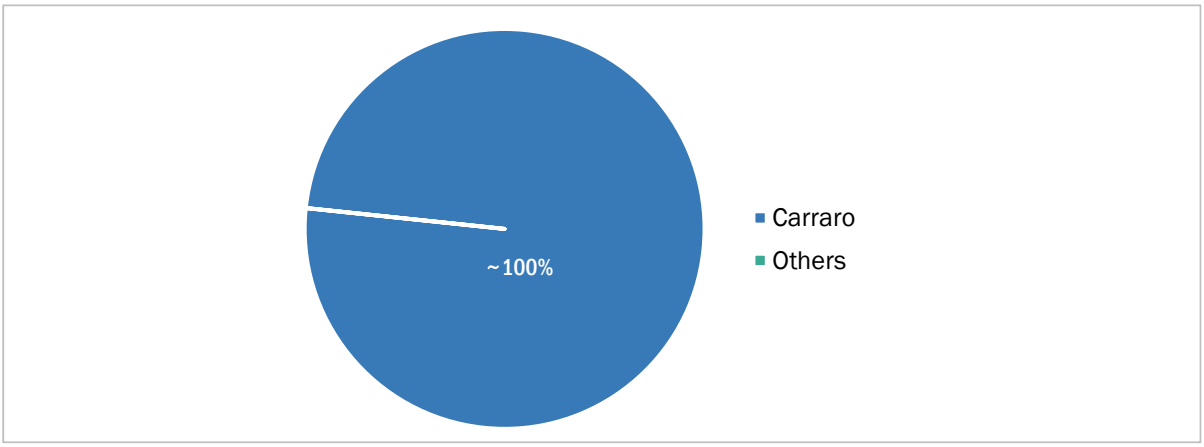
Market Share Analysis – OHV Component Market

Agricultural Tractor Transmission

In the Indian agricultural tractor segment, captive sourcing of transmission plays a significant role. As the market evolves, demand for 41-50 HP tractors is expected to grow domestically. Exports will also drive demand for higher HP tractors. This is expected to strengthen the role of non-captive suppliers in the agricultural tractor transmission market.

As of CY2023, agricultural tractors transmission market was dominated by captive suppliers where OEMs prefer to build their own transmissions. In the non-captive segment, Carraro India is the leading sole supplier.

Indian Agricultural Tractor Transmission Sales Market Share, by OEMs (non-captive) and Volume, CY2023

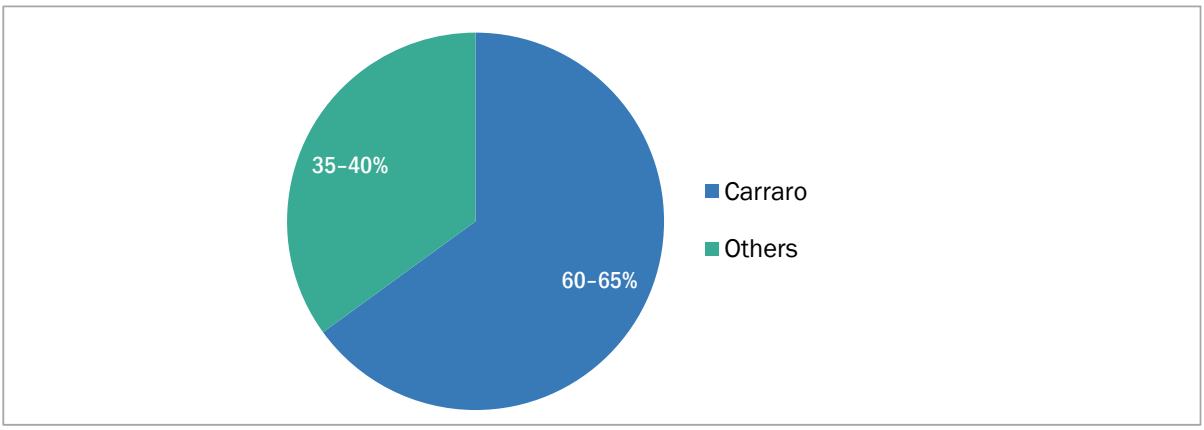


Source: Industry and Markets and Markets Analysis. Note: Data is given as per calendar year. The transmission manufactured by non-captive players for the export market (not sold to the domestic market) is excluded.

Construction Vehicle Transmission

With the increasing need for greater flexibility, cost-effectiveness, and sustainability in component procurement, the construction vehicle transmission market is expected to shift towards non-captive procurement of transmissions. As of CY2023, non-captive suppliers accounted for 35-40% of the Indian construction vehicle transmission. Carraro India is the market leader with a 60-65% share of the non-captive construction vehicle transmission market. Other key players such as ZF India, AVTEC and Dana India accounted for the rest of the market.

Indian Construction Vehicle Transmission Sales Market Share, by OEMs (non-captive) and Volume, CY2023



Source: Industry and Markets and Markets Analysis. Note: Data is given as per calendar year. The transmission manufactured by non-captive players for the export market (not sold to the domestic market) is excluded.

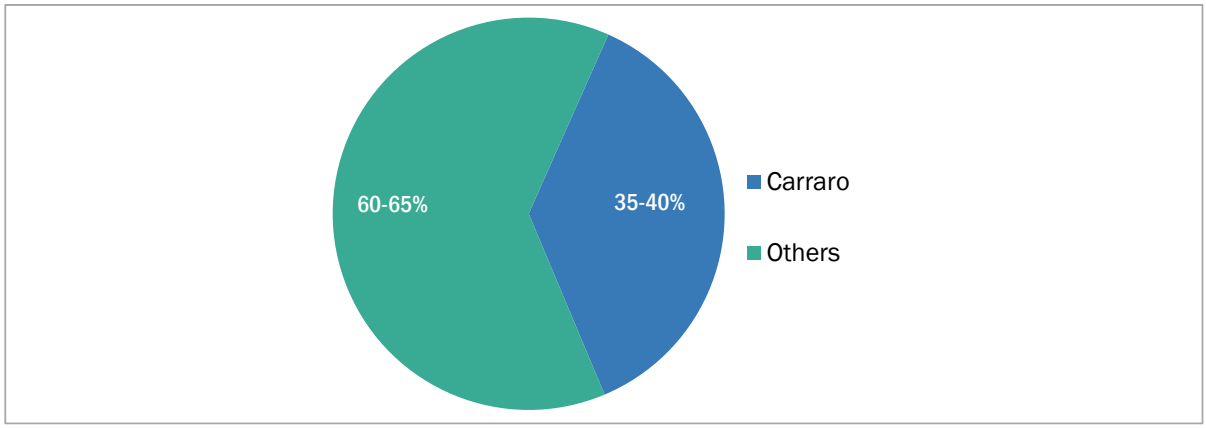
Agricultural Tractor Axles

The Indian agricultural tractor market is dominated by 2WD tractors. 4WD tractors accounted for 13-15% share of the market in CY2023. As of CY2023, agricultural tractor axles non-captive suppliers accounted for approximately 25-30% share.

Agricultural tractor OEMs are building their capacities for higher HP tractors. Despite the domestic market being dominated by 30-50HP tractors, penetration of 4WD tractors is expected to grow. This growth is expected to accelerate after the implementation of TREM V. Additional capacities built up by OEMs are expected to cater to international markets, which have historically been led by 4WD tractors. Hence, the market for 4WD tractors is expected to grow during the forecast period. Carraro India has a strong portfolio in the 4WD agricultural tractor axle market and will benefit from the growing demand.

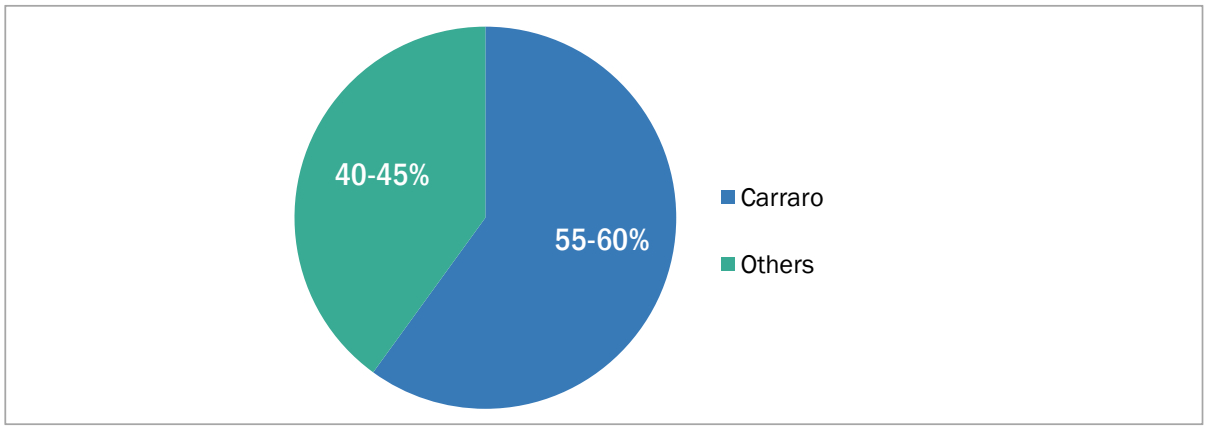
As of CY2023, agricultural tractor 4WD axles non-captive suppliers accounted for approximately 55-60% of the overall market. Carraro India and Dana India are the major suppliers in the non-captive agricultural tractors 4WD axles market. Carraro India has a 35-40% share in the agricultural tractor 4WD axles market in CY2023.

Indian Agricultural Tractor 4WD Axle (Non-captive) Sales Market Share, by OEMs and Volume, CY2023



Source: Industry and Markets and Markets Analysis. Note: Data is given as per calendar year. The 4WD axles manufactured by non-captive players for the export market (not sold to the domestic market) is excluded.

Indian Agricultural Tractor 4WD Axle, >40 HP (Non-captive) Sales Market Share, by OEMs and Volume, CY2023



Source: Industry and Markets and Markets Analysis. Note: Data is given as per calendar year. The 4WD (>40HP) axles manufactured by non-captive players for the export market (not sold to the domestic market) is excluded.

The Indian agricultural tractor market is dominated by >40 HP tractors, which accounted for approximately 64% of total tractor sales in CY2023. Due to the implementation of TREM IV regulations, many tractor manufacturers have transitioned to producing 49.5 HP models that deliver similar power output to higher HP tractors. This shift has significantly boosted the share of the 41-50 HP segment. Additionally, tractor exports are projected to grow at a CAGR of 24.5% from CY2024 to CY2029, comprised primarily of >50 HP tractors.

In the 4WD segment, tractors with above 40 HP power output accounted for 60% of the market. A significant portion of the 4WD axles used in >40 HP category are outsourced rather than produced in-house by tractor manufacturers. The non-captive share of 4WD axles in the >40 HP tractor segment is estimated at 60-65% in CY2023. The key players in the non-captive 4WD agricultural tractor axles are Carraro India and Dana India. Carraro India's share of the non-captive 4WD (>40 HP) agricultural tractor axles is estimated at 55-60% in CY2023.

Construction Vehicles Axles

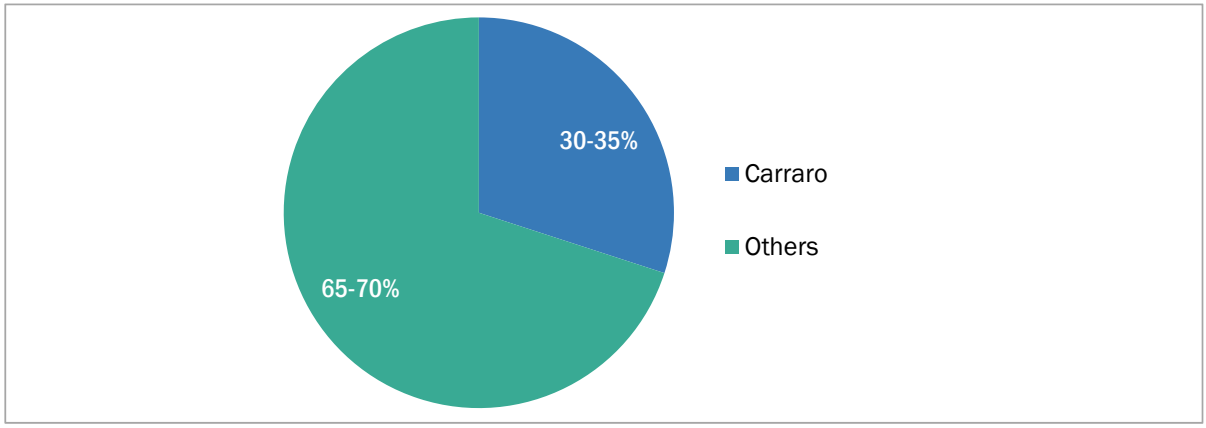
The Indian construction industry is dominated by backhoe loaders, crawler excavators, mobile cranes, and self-loading concrete mixers. As crawler excavators are not equipped with axles, the target vehicle segments for construction vehicle axles are backhoe loaders, telehandlers, and self- loading concrete mixers. The analysis is

focused on backhoe loaders, telehandlers, motor graders, soil compactors, self-loading concrete mixers, wheeled excavators, wheeled loaders.

As of CY2023, non-captive suppliers accounted for approximately 50-55% share of the Indian construction vehicle axle market (front and rear axles). As of CY2023, Carraro India held approximately 25-30% share of the construction vehicle axle non-captive market. Carraro India is also a major supplier of rear axles to the construction vehicle industry with an estimated market share 30-35% share in CY2023.

(The market share is representative for select construction vehicles under study scope (backhoe loaders, telehandlers, motor graders, soil compactors, self-loading concrete mixers, wheeled excavators, wheeled loaders)). The construction vehicle axle non-captive market is fragmented with suppliers such as ZF India, Dana India, Comer Industries, Meritor, and others.

Indian Construction Vehicle Rear Axles (Non-Captive) Market Share, By OEM and Volume, CY2023



Source: Industry and Markets and Markets Analysis. Note: Data is given as per calendar year. The rear axles manufactured by non-captive players for the export market (not sold to the domestic market) is excluded.

COMPANY OVERVIEW: CARRARO

Carraro Group, an Italian company founded in 1932, has built a strong global presence through its pioneering advancements in agricultural machinery and transmission systems. The Company specializes in designing and manufacturing axles, transmissions, and other essential components in diverse agricultural and industrial sectors.

Carraro India, the Indian subsidiary of the Carraro Group, is a global player in the driveline systems industry, particularly for off-highway vehicles like tractors and construction vehicle. Carraro India is one of the leading independent Tier 1 suppliers of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India. Tier 1 suppliers supply manufactured products directly to an OEM.

Carraro India's product sectors, which include transmission systems and axles for agricultural tractors and construction vehicles, have significant addressable markets with strong growth prospects. Carraro India's drivelines manufacturing plant in Pune, India, spans over 84,000 square meters and is primarily dedicated to the production of axles, transaxles, and transmissions or gearboxes for construction vehicles. The Company utilize technologies such as cast machining, assembly, prototyping, testing and painting.

Carraro India's R&D capabilities, developed through Carraro Technologies, enable the Company to manufacture a diverse range of products beyond its core offerings of axles and transmissions for agricultural and construction vehicles. These additional products include gears, shafts, and ring gears for industrial and automotive vehicles, as well as material handling processes. The revenue generated from "Others" sector has experienced significant growth, with a CAGR of 10.60% between FY 2022 and FY 2024. In FY2022, the revenue from this sector stood at ₹ 1,958.54 million, while in FY2024, it reached ₹ 2,406.30 million, demonstrating the strong demand for Carraro India's diversified product portfolio.

Strategic Positioning for Carraro India

Carraro India is one of the leading independent Tier 1 suppliers of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India. Carraro India, the Indian subsidiary of the Carraro Group, is a major global player in the driveline systems industry, particularly for off-highway vehicles like tractors

and construction vehicle. Carraro India's foray into the Indian market began in 1997 when it established a manufacturing center in Pune, India, through a joint venture with Escorts Ltd., one of the country's largest industrial groups. In the following years, a second plant was also established for the production of gears and components. Carraro India has since acquired 100% ownership of its manufacturing facilities. Carraro Group's establishment of an Indian subsidiary, its first industrial hub outside of Italy, highlights the importance of the growing Indian agricultural and construction market.

Carraro India was among the first to enter the agricultural tractor and construction vehicle component market with its dedicated R&D team and center. The Carraro Group entered India in 1997, establishing its manufacturing facility in Pune and R&D center in 2006. It was considered one of the pioneers in the agricultural tractor and construction vehicle component market along with other players such as Dana India. Establishing an R&D center has helped Carraro India cater its tailored products to its Indian clients – tractors, construction vehicle, and other off-highway vehicle manufacturers. The Company commenced production of transmission systems in 1999, followed by the manufacturing of axles in 2000, marking its entry into the Indian automotive components industry.

The Company's comprehensive service offering sets it apart from other players in the Indian market. It's ability to provide a seamless, end-to-end experience for its customers—from initial design and customization to material procurement, in-house manufacturing, supply chain management, delivery, and after-sales service—is a key differentiator.

Recognizing the challenges posed by the high costs and extensive time required for laboratory or field testing, Carraro India has leveraged its early-mover advantage to establish itself as a leading supplier of customized solutions. By investing in advanced manufacturing capabilities and utilizing its proprietary knowledge, the Company has been able to deliver customized products that meet the specific requirements of its clients.

Carraro India is one of the leading suppliers in the market supplying key OEMs such as Mahindra Farm division and Swaraj, Tata Hitachi, Escorts Kubota Ltd., Sonalika, Bull Machine, TAFE, ACE, John Deere India Pvt limited, Caterpillar, Doosan and CNH across the agricultural and construction vehicle manufacturing sector. As of March 31, 2024, the Company has established itself as the market leader in providing transmission systems for tractors transmission systems up to 150 horsepower and four-wheel-drive capabilities. For instance, Carraro India supplies a range of products such as transmissions TLB1 2WD, TLB1 4WB and TLB1 SPS, rear axle 28.32 and 28.43 as well as front axles 26.22 to Bull Machine's backhoe loader and loaders series. Bull Machine is the 7th largest OEM in India for backhoe loaders segment in India. Carraro India's axles and transmissions system products are not easily replaceable with components for other suppliers due to the complexity of these components and the time required to adapt them for use by an OEM customer in its products.

Some of Carraro India's competitors include ZF, Dana, and Comer amongst others. Carraro India's competitors are entering into strategic partnerships, alliances, and joint ventures, along with expanding local production, potentially impacting the Company's market share. For example, in December 2023, ZF India announced it was planning to manufacture transmissions for off-highway vehicles at its new Coimbatore plant for domestic and exports market. In CY2023, Comer Industries increased production capacity in India.

Carraro India plans to leverage their strong position in axles and transmissions to innovate their product line and increase their share in the Indian market. The Company is focused on improving existing products, developing electric solutions for tractors (40-75HP), and new construction vehicles like tele-handlers, loaders, and mixers. This strategy targets the high-power tractor segment (over 50 HP) and new opportunities in construction vehicles. Carraro India has already developed a specific line of hydrostatic and electric transmissions under 'THE' variants in partnership with Danfoss. These units can be used interchangeably and eliminate any changes to the chassis or driveline layout. It has also developed e-transmissions for electric tractors and already has an exclusive agreement with its parent company, Carraro India, for long-term supply.

There will be a growing demand for electric transaxles; the electric motors are embedded in the transaxle, which optimizes space under the tractor bonnet. In August 2022, Carraro India inaugurated a new portal axle assembly capable of producing over 42,000 pieces per year to take care of Carraro India's customer demand with market shift from 2WD to 4WD in 35HP to 50 HP tractor range, demonstrating the plant's commitment to meeting the increasing demand for agricultural vehicles in the region. In November 2023, Carraro India developed the eT50/eT75 Transaxle. The eT50/eT75 Transaxle has a power rating of 75HP, making it suitable for various agricultural applications.

Carraro India has also developed the innovative e48.16M, an e-axle with an integrated electrical motor and inverter in the axle's central body, specifically designed for compact machines like compact wheel loaders or

dumpers. This architecture ensures best-in-class energy management under any working conditions, offering effective and efficient vehicle operation. To offer higher flexibility for hybrid and fully electric construction vehicles, the Company developed electric transmission (eTCH90 and eTB220C), an integrated powertrain solution that combines a torque converter full powershift transmission with compact electric motors.

The outlook for the global construction and agricultural tractor markets is positive. The global construction vehicle market is estimated to grow from 1.18 million units in CY2024 to 1.40 million units by CY2029, at a CAGR of 3.5%. The global agricultural tractor sales are estimated to grow from 2.50 million units in CY2024 to 3.24 million units by CY2029, with a CAGR of approximately 5.4%.

India's domestic tractor sales are projected to increase at a CAGR of 5.6% from CY2024 to CY2029, while exports are expected to grow at a CAGR of 24.5%. Carraro India is focused on two critical areas: the expansion of 41-50HP tractors and the rise of 4WD models. Tractors in the 41-50HP range dominate sales in India and are expected to grow the fastest, at a CAGR of 8.9% between CY2024 and CY2029. The market share of 4WD tractors in India is anticipated to increase from 20% in CY2024 to 38% by CY2029, at a CAGR of 23%.

India currently ranks as the world's third-largest market for construction vehicles driven by urbanization and infrastructure development. The sales of construction vehicles surged by 10% in from CY2022 to CY2023, surpassing 100,000 units. Between CY2024 and CY2029, the construction vehicle market is anticipated to grow at a CAGR of 5.0%. Transmissions for construction vehicles are increasingly adopting automatic features, electronic sensing for multi-mode power delivery, telematics tracking, and built-in diagnostic capabilities as standard equipment. Carraro India is well positioned in this market with a 64% share of the non-captive construction vehicle transmission market.

Driven by the "China Plus One" strategy, many international companies are looking to India as a potential global manufacturing hub to reduce Chinese dependence. Factors such as Indian government's 'Make in India' initiative, competitive labor costs, and ability to meet international standards will support this transition. Additionally, India has a skilled labor pool, abundant raw materials, and robust manufacturing infrastructure, all contributing to its ascent as a global manufacturing hub. Carraro India is well-positioned to capitalize on these opportunities with its established presence in India, in-house R&D capabilities, production facilities, and strategic partnerships.

KEY COMPETITORS

Carraro India is one of the leading independent Tier 1 suppliers of mission critical and complex driveline components (axles and transmissions) and gears for agricultural tractor and construction vehicle industries in India. Carraro India has established itself as the market leader in providing transmission systems for tractors up to 150HP and four-wheel-drive capabilities. Carraro India is the leading supplier in the non-captive segment of the agriculture tractors and construction vehicle transmission market.

Carraro India's comparable in the Indian market space can broadly be classified as:

- Companies involved in supplying critical system solutions (such as Schaeffler India, Dana India, ZF India and Comer Industries). These companies have a wide range of products ranging from transmission for construction vehicles, axles and gears for agricultural and construction equipment. Given that they cater to domestic and international markets, they compete with Carraro India in the non-captive segment of the off highway vehicle axle and transmission market.

- OEMs manufacturing agricultural tractors and / or construction vehicles (such as Escorts Kubota and JCB). These OEM businesses are capital intensive and involve high level of technological complexities to manufacture their respective end-products similar to Carraro India. Agricultural tractor manufactures such as Escorts Kubota, TAFE and International Tractors Ltd. (Sonalika) produce their own transmission systems as well as engage in inhouse axle manufacturing for part of their portfolio. Construction vehicle OEMs such as JCB also manufacture components in house for part of their transmission and axle portfolio. Hence, the above are considered comparable companies.

- Companies involved in forging and machining components (such as Ramkrishna Forgings, Happy Forgings and Sona BLW Precision Forging) producing high precision components which are in-turn utilized for manufacturing of complex products (like transmissions, axles and gears). Given Carraro India also produces high precision components for the manufacture of its transmissions and axles, these companies are considered comparable.

Component manufactures with a higher proportion of machining in their revenue generally command better margins and OEMs producing agricultural tractors and construction vehicles typically enjoy higher margins due to higher purchasing power and operating leverage.

ZF India

ZF Group, based in Germany, is a global technology company specializing in driveline and chassis technology, along with safety systems. ZF's operations in India include manufacturing, research and development, and sales. Amongst others, its product portfolio includes automotive components such as transmission, axles, chassis components, electric drive systems, including e-axles and electric motors, and industrial transmissions, driveline components, and precision parts. Its portfolio caters to passenger vehicles, commercial vehicles, construction vehicles and industrial applications.

Comer Industries

Comer Industries, founded in 1970 in Italy, is a leading global manufacturer of power transmission systems. Specializing in gearboxes, transmissions, axles, and planetary drives, it serves industries such as agriculture, construction, and renewable energy. Comer Industries operates in India through its subsidiary Comer Industries Private Limited. Their product lineup includes gearboxes, transmissions, and axles across different applications such as agriculture, construction, material handling, and renewable energy sectors.

Dana

Dana Incorporated, founded in the USA in 1904, is a global leader in drivetrain, sealing, and thermal-management technologies for various industries, including automotive, commercial vehicles, and off-highway markets. It operates in more than 30 countries globally. Dana holds several subsidiaries in India with the key subsidiary for the axles and transmission business being Dana India Private Limited. Their product portfolio includes drivetrain technologies, sealing solutions, thermal-management solutions, and electrification solutions. Dana India is engaged in the business of designing and assembling of automotive axles, transfer cases and components for off highway and commercial vehicles.

Linamar

Linamar Corporation, established in 1966 in Ontario, Canada, is a diverse global manufacturing entity specializing in highly engineered products. It operates primarily through two segments: Powertrain/Driveline and Industrial. Linamar operates in India through its subsidiary Linamar India Private Limited. Linamar services the industrial and mobility markets with components such as transmissions, drivelines, engine components, structure and chassis components amongst others. Its portfolio caters to light commercial vehicles, off highway applications including agricultural and construction equipment and industrial vehicle engines.

American Axle

American Axle & Manufacturing ("**AAM**") is a US-based company specializing in driveline and drivetrain systems for the automotive industry. It operates in India through its subsidiary AAM Auto Component India Pvt Ltd. American Axle & Manufacturing (AAM). Its product portfolio includes driveline, drivetrain solutions, power transfer units, and chassis modules amongst others and caters to passenger and commercial vehicles.

JCB

JCB India is a fully owned subsidiary of JCB, a British multinational corporation that specializes in manufacturing construction equipment. The company produces a variety of equipment, including backhoe loaders, excavators, loaders, telehandlers, compactors amongst others. Its portfolio caters to off highway applications such as earthmoving, scissor lift and other construction equipment.

Bull Machine

Bull Machines was established in 1996 and is a manufacturer of construction equipment, tractor attachments and light equipment. The company's product portfolio includes backhoe loaders, excavators, skid steer loaders, motor graders and compactors.

TAFE

TAFE India, also known as Tractors and Farm Equipment Limited, is an Indian tractor major incorporated in 1960 at Chennai, India. The company is a manufacturer of tractors and agricultural machinery. TAFE produces wide range of equipment which includes tractors, agriculture implements, agriculture engines, industrial engines. TMTL (TAFE Motors and Tractors Limited), operates a gears and transmissions facility in Parwanoo, Himachal Pradesh. This plant manufactures a variety of gears and transmission products primarily for internal use at TMTL and TAFE for their tractors, in addition to supplying discerning OEMs in the automotive sector with engineered plastic components. Their portfolio primarily caters to the agricultural tractor market.

International Tractors Ltd. ("Sonalika")

Sonalika tractors founded in 1996 is headquartered in Hoshiarpur, Punjab, India. The company specializes in manufacturing and exporting tractors and agricultural equipment. The company manufactures heavy duty tractors in the range of 20-120 HP.

Escorts Kubota

Escorts Limited was founded in 1944 and formed a joint venture with Kubota Corporation of Japan in 2021, resulting in the establishment of Escorts Kubota Limited. It is headquartered in Faridabad, Haryana, India. It manufactures and supplies agricultural machinery, auto suspension and ancillary products and railway equipment and has manufacturing facilities in India and Europe. Its business segments include Agri Machinery Products, Construction Equipment and Railway Equipment. Its Agri Machinery Products segment manufactures tractors, engine, implements, spare parts and lubes while Construction Equipment segment manufactures and markets material handling, road compaction and earth moving equipment. The manufacturing and assembling of agricultural tractors and construction equipment is a technologically complex process involving handling of multiple sub-systems to create the final product.

Action Construction Equipment

ACE India was established in 1995 and manufactures construction equipment. The company is headquartered in Faridabad, Haryana, India. It is one of India's leading material handling and construction equipment manufacturing companies offering products primarily in the Mobile Cranes and Tower Cranes segments. Its portfolio includes tractors & harvesters, backhoe loaders, lorry loaders, mobile/fixed tower cranes, crawler cranes, truck mounted cranes, vibratory rollers, forklifts and other construction equipment vehicles. Its portfolio caters to the agricultural and construction equipment. It is present across India and has a global presence in over 37 countries. It caters to the agricultural, construction, infrastructure, manufacturing and logistics end-segments. The manufacturing and assembling of agricultural tractors and construction equipment is a technologically complex process involving handling of multiple sub-systems to create the final product.

Ramkrishna Forging

Ramakrishna Forgings is based in India and services various sectors such as automotive (including passenger and commercial vehicles), railways, bearings, oil and gas, power, agricultural and construction equipment, earthmoving and mining in India and globally. It operates 7 plants and exports to over 20 countries. Its product portfolio includes crankshafts, rear axle shafts, transmission shafts and gears for farm equipment amongst others.

Happy Forgings Limited

Happy Forgings Limited manufactures and supplies forged and high-precision machined components for industries such as commercial vehicles, farm equipment, off-highway vehicles and manufacturers of industrial equipment and machinery (oil and gas, power generation, railways, and wind turbine industries). It caters to customers in India, Brazil, Italy, Japan, Spain, Sweden, Thailand, Turkey, the United Kingdom and the US. It is one of the largest engineering led manufacturer of complex and safety critical, heavy forged and high precision machined components in India. Its product range includes forged components, such as gears, shafts, flanges, and other customized parts. Its portfolio caters to commercial vehicles, off highway applications including agricultural, construction equipment and industrial applications.

Sona BLW Precision Forging

Sona BLW Precision Forging Limited, headquartered in Gurgaon, services the automotive sector with precision forging technology. It is a global automotive systems manufacturer catering to automotive OEMs across US,

Europe, India and China, for both electrified and non-electrified powertrain segments. Sona BLW operates 10 plants spread across India, China, Mexico, and the US and caters to passenger vehicles, electric 2 and 3 wheelers, commercial vehicles and off highway vehicles. Its portfolio includes gears, shafts, and other components for vehicle drivetrains and powertrains. It manufactures mission critical automotive systems and components such as differential assemblies, differential gears, conventional and micro-hybrid starter motors.

Schaeffler

Schaeffler AG, headquartered in Germany, is a global leader in manufacturing precision-engineered components. Schaeffler India Limited, a subsidiary of Schaeffler AG, services the automotive, industrial machinery, railways, and renewable energy sectors. Schaeffler India delivers high-precision components and systems in engine, transmission, and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications. It Operates 4 plants and 3 R&D centres in India with exports to America, Asia Pacific, China & Europe. It's business divisions include Automotive Technologies, Automotive Aftermarket and Industrial Division. Schaeffler India caters to commercial vehicles, passenger vehicles, 2 wheelers and off highway applications including agricultural and construction equipment with innovative products, components and systems solutions for engine, transmission, and chassis applications for ICE (internal combustion engine), hybrid as well as electric powertrains.

Financial and Operational Benchmarking

The 'Peers' considered for Carraro India for financial and operational benchmarking include its direct competitors, such as Comer Industries, ZF, and DANA, as well as forging and precision component manufacturers catering to the OHV market. The Peers can be grouped under two categories – 1) Foreign players with a presence in India: ZF, Comer Industries, DANA, American Axles, and Linamar and 2) Indian listed players – Automotive Axels Limited, Ramakrishna Forging, Happy Forgings Limited, Sona BLW Precision Forgings Limited and Schaeffler India.

Financial Benchmarking

Revenue From Operations (₹ million)

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43	-
2	ZF India Private Limited	NA	NA	NA	16,700.27	12,266.04	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	1,407.65	-
4	Dana India Private Limited	NA	NA	NA	15,224.47	11,142.71	-
5	Linamar India Private Limited	NA	NA	NA	NA	982.30	-
6	AAM India Private Limited	NA	NA	NA	772.59	54.48	-
7	JCB	NA	NA	NA	151,092.45	117,235.04	-
8	Bull Machine	NA	NA	NA	6,070.47	4,083.25	-
9	TAFE	NA	NA	78,765.91	80,805.05	72,402.65	-
10	International Tractors Ltd. (Sonalika)	NA	NA	93,524.87	89,436.84	78,896.23	-
11	Escorts Kubota	53,068.80	44,144.70	88,496.20	84,286.90	72,826.50	-
12	Action Construction Equipment	14,909.50	13,248.50	29,138.00	21,596.80	16,295.80	-
13	Ramkrishna Forgings	20,131.11	18,738.27	39,548.83	31,928.95	23,202.47	-
14	Happy Forgings	7,025.98	6,729.00	13,582.36	11,965.29	8,600.45	-
15	Sona BLW Precision Forgings Ltd.	18,133.63	15,188.49	31,847.70	26,550.10	21,306.40	-
16	Schaeffler India	39,211.00	35,228.00	NA	72,509.10	68,674.20	55,605.10

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India.

Revenue Growth

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	(4.83%)	NA	4.43%	14.40%	NA	-
2	ZF India Private Limited	NA	NA	NA	36.15%	41.52%	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	14.90%	-
4	Dana India Private Limited	NA	NA	NA	36.63%	51.66%	-
5	Linamar India Private Limited	NA	NA	NA	NA	21.45%	-
6	AAM India Private Limited	NA	NA	NA	1,318.19%	NA	-
7	JCB	NA	NA	NA	28.88%	0.94%	-
8	Bull Machine	NA	NA	NA	48.67%	NA	-
9	TAFE	NA	NA	(2.52%)	11.61%	0.00%	-
10	International Tractors Ltd. (Sonalika)	NA	NA	4.57%	13.36%	10.26%	-
11	Escorts Kubota	20.22%	12.53%	4.99%	15.74%	3.82%	-
12	Action Construction Equipment	12.54%	33.89%	34.92%	32.53%	32.79%	-
13	Ramkrishna Forgings	7.43%	22.97%	23.87%	37.61%	80.01%	-
14	Happy Forgings	4.41%	12.19%	13.51%	39.12%	47.03%	-
15	Sona BLW Precision Forgings Ltd.	19.39%	22.77%	19.95%	24.61%	36.03%	-
16	Schaeffler India	11.31%	6.23%	NA	5.58%	23.50%	47.81%

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been consideredH1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.

EBITDA (₹ million)

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	1,010.96	661.45	1,499.95	1,248.11	828.63	-
2	ZF India Private Limited	NA	NA	NA	2,948.92	1,564.80	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	176.65	-
4	Dana India Private Limited	NA	NA	NA	988.86	541.60	-
5	Linamar India Private Limited	NA	NA	NA	NA	85.00	-
6	AAM India Private Limited	NA	NA	NA	137.10	(116.15)	-
7	JCB	NA	NA	NA	21,585.78	17,313.68	-
8	Bull Machine	NA	NA	NA	746.78	399.12	-
9	TAFE	NA	NA	16,573.44	14,849.00	11,414.79	-
10	International Tractors Ltd. (Sonalika)	NA	NA	24,918.33	19,134.81	16,358.21	-
11	Escorts Kubota	8,511.20	7,769.90	15,816.40	9,979.20	11,398.60	-
12	Action Construction Equipment	2,689.50	2,040.40	4,803.50	2,620.40	1,622.20	-
13	Ramkrishna Forgings	4,473.20	4,063.97	8,682.69	6,962.76	5,184.51	-
14	Happy Forgings	2,236.57	1,980.47	4,008.92	3,466.85	2,369.49	-
15	Sona BLW Precision Forgings Ltd.	5,230.51	4,294.54	9,173.29	7,040.36	5,923.97	-
16	Schaeffler India	7,236.00	6,710.00	NA	14,410.50	13,870.50	10,439.20

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been consideredH1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.

EBITDA = Earnings Before Interest Tax Depreciation and Amortization = Profit before tax + Depreciation and amortization expenses + Finance costs

EBITDA Margin

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	10.96%	6.81%	8.30%	7.20%	5.45%	-
2	ZF India Private Limited	NA	NA	NA	17.26%	12.47%	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	12.49%	-
4	Dana India Private Limited	NA	NA	NA	6.47%	4.84%	-
5	Linamar India Private Limited	NA	NA	NA	NA	8.63%	-
6	AAM India Private Limited	NA	NA	NA	17.45%	(211.39)%	-
7	JCB	NA	NA	NA	14.11%	14.54%	-
8	Bull Machine	NA	NA	NA	12.15%	9.54%	-
9	TAFE	NA	NA	18.93%	16.90%	14.69%	-
10	International Tractors Ltd. (Sonalika)	NA	NA	25.04%	20.59%	19.97%	-
11	Escorts Kubota	15.40%	16.88%	17.10%	11.46%	15.29%	-
12	Action Construction Equipment	17.32%	15.02%	16.06%	11.91%	9.89%	-
13	Ramkrishna Forgings	22.10%	21.59%	21.79%	21.78%	22.34%	-
14	Happy Forgings	30.92%	29.31%	29.23%	28.84%	27.36%	-
15	Sona BLW Precision Forgings Ltd.	28.33%	27.99%	28.59%	26.20%	27.54%	-
16	Schaeffler India	NA	19.10%	NA	19.54%	19.97%	18.50%

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.
EBITDA Margin = EBITDA/Total Income

EBIT (₹ million)

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	788.11	450.96	1,068.57	853.75	469.58	-
2	ZF India Private Limited	NA	NA	NA	1,964.62	773.06	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	158.79	-
4	Dana India Private Limited	NA	NA	NA	630.26	206.54	-
5	Linamar India Private Limited	NA	NA	NA	NA	(65.40)	-
6	AAM India Private Limited	NA	NA	NA	89.27	(130.30)	-
7	JCB	NA	NA	NA	19,829.79	15,650.64	-
8	Bull Machine	NA	NA	NA	715.86	369.42	-
9	TAFE	NA	NA	15,321.58	14,057.04	10,481.60	-
10	International Tractors Ltd. (Sonalika)	NA	NA	23,124.04	17,581.93	14,995.82	-
11	Escorts Kubota	7,257.50	6,958,90	14,147.40	8,478.60	10,078.00	-
12	Action Construction Equipment	2,551.10	1,934.00	4,571.10	2,440.40	1,468.08	-
13	Ramkrishna Forgings	3,245.78	2,883.53	6,106.99	4,946.36	3,490.98	-
14	Happy Forgings	1,859.89	1,663.94	3,361.64	2,925.02	1,992.07	-
15	Sona BLW Precision Forgings Ltd.	3,998.34	3,249.84	6,971.04	5,260.32	4,504.32	-
16	Schaeffler India	NA	5,647.00	NA	12,180.40	11,805.90	8,468.10

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021 standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1

2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.

EBIT = Earnings Before Interest and Tax = Profit before tax + Finance costs

EBIT Margin

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	8.54%	4.64%	5.91%	4.93%	3.09%	-
2	ZF India Private Limited	NA	NA	NA	11.50%	6.16%	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	11.22%	-
4	Dana India Private Limited	NA	NA	NA	4.12%	1.84%	-
5	Linamar India Private Limited	NA	NA	NA	NA	(6.64)%	-
6	AAM India Private Limited	NA	NA	NA	11.36%	(237.14)%	-
7	JCB	NA	NA	NA	12.96%	13.15%	-
8	Bull Machine	NA	NA	NA	11.64%	8.83%	-
9	TAFE	NA	NA	17.50%	16.00%	13.49%	-
10	International Tractors Ltd. (Sonalika)	NA	NA	23.23%	18.91%	18.30%	-
11	Escorts Kubota	13.13%	15.12%	15.30%	9.73%	13.52%	-
12	Action Construction Equipment	16.43%	14.24%	15.28%	11.09%	8.95%	-
13	Ramkrishna Forgings	16.03%	15.32%	15.33%	15.47%	15.05%	-
14	Happy Forgings	25.71%	24.62%	24.51%	24.33%	23.00%	-
15	Sona BLW Precision Forgings Ltd.	21.66%	21.18%	21.73%	19.58%	20.94%	-
16	Schaeffler India	NA	16.00%	NA	16.51%	17.00%	15.03%

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.
EBIT Margin = EBIT/Total Income

PAT (₹ million)

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	497.34	249.37	625.63	484.59	224.26	-
2	ZF India Private Limited	NA	NA	NA	1,815.72	877.51	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	117.84	-
4	Dana India Private Limited	NA	NA	NA	402.95	86.45	-
5	Linamar India Private Limited	NA	NA	NA	NA	(264.00)	-
6	AAM India Private Limited	NA	NA	NA	45.97	(145.46)	-
7	JCB	NA	NA	NA	14,530.61	11,378.45	-
8	Bull Machine	NA	NA	NA	513.20	260.05	-
9	TAFE	NA	NA	12,398.52	10,883.80	7,964.20	-
10	International Tractors Ltd. (Sonalika)	NA	NA	17,572.28	13,446.86	11,345.63	-
11	Escorts Kubota	6,259.00	6,893.30	10,490.80	6,366.50	7,356.10	-
12	Action Construction Equipment	1,790.00	1,415.10	3,282.00	1,729.90	1,050.00	-
13	Ramkrishna Forgings	1,871.93	1,607.24	3,414.35	2,481.08	1,980.27	-
14	Happy Forgings	1,351.69	1,192.99	2,429.84	2,086.99	1,422.85	-
15	Sona BLW Precision Forgings Ltd.	2,852.88	2,360.97	5,177.76	3,952.97	3,615.43	-
16	Schaeffler India	4,812.00	4,567.00	NA	8,990.20	8,792.10	6,291.20

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21,

2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.

PAT = Profit After Tax, also called net profit.

PAT Margin

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	5.44%	2.59%	3.50%	2.83%	1.50%	-
2	ZF India Private Limited	NA	NA	NA	10.87%	7.15%	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	8.37%	-
4	Dana India Private Limited	NA	NA	NA	2.65%	0.78%	-
5	Linamar India Private Limited	NA	NA	NA	NA	(26.88%)	-
6	AAM India Private Limited	NA	NA	NA	5.95%	(267.02%)	-
7	JCB	NA	NA	NA	9.62%	9.71%	-
8	Bull Machine	NA	NA	NA	8.45%	6.37%	-
9	TAFE	NA	NA	15.74%	13.47%	11.00%	-
10	International Tractors Ltd. (Sonalika)	NA	NA	18.79%	15.04%	14.38%	-
11	Escorts Kubota	11.79%	15.62%	11.85%	7.55%	10.10%	-
12	Action Construction Equipment	12.01%	10.68%	11.26%	8.01%	6.44%	-
13	Ramkrishna Forgings	9.30%	8.58%	8.63%	7.77%	8.53%	-
14	Happy Forgings	19.24%	17.73%	17.89%	17.44%	16.54%	-
15	Sona BLW Precision Forgings Ltd.	15.73%	15.54%	16.26%	14.89%	16.97%	-
16	Schaeffler India	12.27%	12.96%	NA	12.40%	12.80%	11.31%

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.
PAT Margin = PAT/Revenue from Operations

Net Financial Position (₹ million)

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	(1,056.86)	(1,670.18)	(1,359.94)	(1,105.08)	(1,122.35)	-
2	ZF India Private Limited	NA	NA	NA	(2,804.99)	(2,251.37)	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	87.14	-
4	Dana India Private Limited	NA	NA	NA	934.02	(240.24)	-
5	Linamar India Private Limited	NA	NA	NA	NA	(2,587.40)	-
6	AAM India Private Limited	NA	NA	NA	(589.37)	(480.54)	-
7	JCB	NA	NA	NA	13,412.44	6,523.81	-
8	Bull Machine	NA	NA	NA	152.85	(104.63)	-
9	TAFE	NA	NA	5,359.09	2,705.24	1,119.04	-
10	International Tractors Ltd. (Sonalika)	NA	NA	1,794.59	1,990.61	889.85	-
11	Escorts Kubota	6,524.00	4,694.10	8,582.30	2,989.20	1,414.60	-
12	Action Construction Equipment	(640.00)	320.30	982.00	749.83	116.03	-
13	Ramkrishna Forgings	(14,974.07)	(15,782.66)	(10,800.77)	(13,196.34)	(15,882.38)	-
14	Happy Forgings	1,346.99	(2,405.49)	1,629.09	(2,119.92)	(3,389.44)	-
15	Sona BLW Precision Forgings Ltd.	15,191.42	(3,044.02)	(2,798.67)	(2,946.42)	(1,489.35)	-
16	Schaeffler India	8949.9	12536	NA	13,521.30	15,005.90	13,887.90

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21,

2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.
Net Financial Position (Net Debt) is calculated as (i) the sum of other financial assets and cash and cash equivalents, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities

Net Debt / EBITDA

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	(1.05)	(2.53)	(0.91)	(0.89)	(1.35)	-
2	ZF India Private Limited	NA	NA	NA	(0.95)	(1.44)	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	0.49	-
4	Dana India Private Limited	NA	NA	NA	0.94	(0.44)	-
5	Linamar India Private Limited	NA	NA	NA	NA	(30.44)	-
6	AAM India Private Limited	NA	NA	NA	(4.30)	4.14	-
7	JCB	NA	NA	NA	0.62	0.38	-
8	Bull Machine	NA	NA	NA	0.20	(0.26)	-
9	TAFE	NA	NA	0.32	0.18	0.10	-
10	International Tractors Ltd. (Sonalika)	NA	NA	0.07	0.10	0.05	-
11	Escorts Kubota	0.77	0.58	0.54	0.30	0.12	-
12	Action Construction Equipment	(0.24)	0.16	0.20	0.29	0.07	-
13	Ramkrishna Forgings	(3.35)	(3.88)	(1.24)	(1.90)	(3.06)	-
14	Happy Forgings	0.60	(1.21)	0.41	(0.61)	(1.43)	-
15	Sona BLW Precision Forgings Ltd.	2.90	(0.71)	(0.31)	(0.42)	(0.25)	-
16	Schaeffler India	1.17	1.74	NA	0.94	1.08	1.33

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.

Net Debt/EBITDA = (Non-current Financial Assets + Cash and Cash Equivalent + Bank Balance - Non-current borrowings – Current borrowings – Current Lease Liabilities – Non-Current Lease Liabilities – Current Other Financial Liabilities) / EBITDA

Return on Equity

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	12.60%	7.12%	17.69%	15.39%	7.93%	-
2	ZF India Private Limited	NA	NA	NA	26.99%	17.44%	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	18.89%	-
4	Dana India Private Limited	NA	NA	NA	18.03%	5.15%	-
5	Linamar India Private Limited	NA	NA	NA	NA	68.52%	-
6	AAM India Private Limited	NA	NA	NA	18.29%	(55.20)%	-
7	JCB	NA	NA	NA	36.01%	35.15%	-
8	Bull Machine	NA	NA	NA	46.41%	61.24%	-
9	TAFE	NA	NA	13.37%	13.25%	10.83%	-
10	International Tractors Ltd. (Sonalika)	NA	NA	18.89%	17.07%	16.78%	-
11	Escorts Kubota	6.58%	6.10%	12.08%	8.07%	11.65%	-
12	Action Construction Equipment	13.68%	14.39%	30.51%	20.66%	16.43%	-
13	Ramkrishna Forgings	6.65%	11.21%	17.05%	20.67%	20.20%	-
14	Happy Forgings	8.13%	11.41%	18.69%	23.50%	19.86%	-
15	Sona BLW Precision Forgings Ltd.	7.24%	9.87%	20.96%	18.43%	21.42%	-

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
16	Schaeffler India	9.62%	10.56%	NA	19.78%	22.15%	18.52%

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.
Return on Equity = PAT / Average Equity

Return on Capital Employed

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	13.13%	8.14%	19.35%	16.30%	10.00%	-
2	ZF India Private Limited	NA	NA	NA	22.95%	11.53%	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	23.38%	-
4	Dana India Private Limited	NA	NA	NA	24.49%	7.34%	-
5	Linamar India Private Limited	NA	NA	NA	NA	(3.51)%	-
6	AAM India Private Limited	NA	NA	NA	9.89%	(18.05)%	-
7	JCB	NA	NA	NA	48.81%	42.84%	-
8	Bull Machine	NA	NA	NA	43.54%	30.89%	-
9	TAFE	NA	NA	15.68%	16.28%	13.58%	-
10	International Tractors Ltd. (Sonalika)	NA	NA	22.14%	20.28%	20.16%	-
11	Escorts Kubota	7.34%	8.07%	15.26%	10.29%	13.20%	-
12	Action Construction Equipment	16.90%	17.32%	36.92%	26.18%	19.14%	-
13	Ramkrishna Forgings	7.14%	9.05%	15.19%	17.86%	12.62%	-
14	Happy Forgings	9.88%	12.00%	18.87%	23.81%	17.45%	-
15	Sona BLW Precision Forgings Ltd.	8.26%	13.69%	28.20%	23.87%	25.82%	-
16	Schaeffler India	12.84%	13.97%	NA	25.63%	27.43%	23.05%

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.
Return on Capital Employed (pre-tax) = EBIT/ ((Total Equity-Intangible Assets-Deferred Tax Assets) + Total Debt + Deferred Tax Liability)

Operational Working Capital (₹ million)

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	1,900.74	2,111.53	1,636.70	1,305.98	650.21	-
2	ZF India Private Limited	NA	NA	NA	4,752.81	3,270.02	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	267.15	-
4	Dana India Private Limited	NA	NA	NA	(293.11)	180.17	-
5	Linamar India Private Limited	NA	NA	NA	NA	(80.10)	-
6	AAM India Private Limited	NA	NA	NA	221.44	105.89	-
7	JCB	NA	NA	NA	10,616.70	13,564.10	-
8	Bull Machine	NA	NA	NA	983.05	645.48	-
9	TAFE	NA	NA	4,373.49	6,117.68	5,419.65	-
10	International Tractors Ltd. (Sonalika)	NA	NA	7,672.89	5,852.28	4,351.20	-
11	Escorts Kubota	16,455.90	10,676.10	11,836.10	11,365.50	7,454.30	-
12	Action Construction Equipment	1,261.50	1,376.50	297.60	869.54	1,093.84	-
13	Ramkrishna Forgings	12,475.13	9,533.13	9,334.77	8,906.19	9,915.44	-
14	Happy Forgings	5,804.54	4,858.61	5,255.46	4,299.22	3,617.88	-

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
15	Sona BLW Precision Forgings Ltd.	6,606.83	7,029.94	6,976.49	6,828.59	5,895.90	-
16	Schaeffler India	NA	NA	NA	13,160.60	11,640.50	9,682.50

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.

Operational Working Capital =Trade Receivable + Inventories - Trade Payables

Net Working Capital (₹ million)

Sl. No	Competitor	H1 2025	H1 2024	2024	2023	2022	2021
1	Carraro India Limited	2,175.63	1,512.95	1,389.61	1,611.48	837.91	-
2	ZF India Private Limited	NA	NA	NA	2,638.26	1,276.17	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	335.16	-
4	Dana India Private Limited	NA	NA	NA	787.75	1,043.84	-
5	Linamar India Private Limited	NA	NA	NA	NA	15.50	-
6	AAM India Private Limited	NA	NA	NA	277.51	105.99	-
7	JCB	NA	NA	NA	22,639.21	20,090.68	-
8	Bull Machine	NA	NA	NA	980.91	575.93	-
9	TAFE	NA	NA	32,788.72	26,368.92	22,920.57	-
10	International Tractors Ltd. (Sonalika)	NA	NA	83,007.58	69,006.41	57,909.77	-
11	Escorts Kubota	46,890.00	35,647.1	39,995.60	31,685.40	54,517.70	-
12	Action Construction Equipment	3,032.00	2,919.10	3,482.00	2,486.10	1,917.87	-
13	Ramkrishna Forgings	7,203.07	2,783.46	8,205.56	3,801.88	3,837.35	-
14	Happy Forgings	5,202.26	2,441.42	4,999.11	2,326.92	1,797.07	-
15	Sona BLW Precision Forgings Ltd.	31,519.67	6,359.11	7,429.95	7,514.51	5,917.14	-
16	Schaeffler India	NA	NA	NA	27,010.10	25,753.90	22,286.00

Source: Annual reports, Company websites, SEBI and Markets and Markets analysis. Note: For Dana India, Comer Industries India, Linamar India AAM India, TAFE, Sonalika, and Schaeffler (CY 2021) standalone financials have been considered for benchmarking purposes. For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India. The calculation of non-GAAP measures may differ from company to company, and no reconciliation to financial statements is provided herein.
Net Working Capital = Current assets – Current liabilities

Operational Benchmarking

Revenue Share from Indian and Overseas Market

		Contribution of India Market to Revenue											
Sl. No	Competitor	H1 2025		H1 2024		2024		2023		2022		2021	
		Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales
1	Carraro India Limited	34.60 %	65.40 %	36.09 %	63.91 %	35.87 %	64.13%	38.19 %	61.81%	36.80%	63.20%	-	-
2	ZF India Private Limited	NA	NA	NA	NA	NA	NA	0%	100%	0%	100%	-	-

Contribution of India Market to Revenue													
Sl. No	Competitor	H1 2025		H1 2024		2024		2023		2022		2021	
		Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales	Revenue from outside India / export	Indian revenue/ domestic sales
3	Comer Industries India Private Limited	NA	NA	NA	NA	NA	NA	NA	NA	38.49%	61.51%	-	-
4	Dana India Private Limited	NA	NA	NA	NA	NA	NA	35.05 %	64.95%	40.02%	59.98%	-	-
5	Linamar India Private Limited	NA	NA	NA	NA	NA	NA	NA	NA	21.45%	78.55%	-	-
6	AAM India Private Limited	NA	NA	NA	NA	NA	NA	100%	0%	100%	0%	-	-
7	JCB	NA	NA	NA	NA	NA	NA	0%	100%	0%	100%	-	-
8	Bull Machine	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-	-
9	TAFE	NA	0%	NA	NA	100%	NA	21.84 %	78.16%	24.11%	75.89%	-	-
10	International Tractors Ltd. (Sonalika)	NA	32.12 %	NA	NA	67.88 %	NA	32.34 %	67.66%	21.05%	78.95%	-	-
11	Escorts Kubota	NA	NA	NA	NA	4.55%	95.45%	6.61%	93.39%	6.21%	93.79%	-	-
12	Action Construction Equipment	NA	NA	NA	NA	5.50%	94.50%	3.00%	97.00%	NA	NA	-	-
13	Ramkrishna Forgings	NA	NA	NA	NA	NA	NA	39.00 %	61.00%	42.00%	58.00%	-	-
14	Happy Forgings	NA	NA	21.00 %	79.00 %	20.00 %	80.00%	13.00 %	87.00%	10.94%	89.06%	-	-
15	Sona BLW Precision Forgings Ltd.	NA	NA	NA	NA	59.00 %	41.00%	58.00 %	42.00%	61.00%	39.00%	-	-
16	Schaeffler India	NA	NA	NA	NA	NA	NA	23.00 %	77.00%	16.64%	83.36%	12.32%	87.68%

Source: Annual reports, Markets and Markets analysis. Note: For Happy Forging, standalone financials have been considered for H1 2024 as sourced from the company's Prospectus dated December 21, 2023. Standalone financials have been considered for Schaeffler for CY 2021. Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered. H1 2025 financials reflects Q1 and Q2 2024 output and H1 2024 reflects Q1 and Q2 2023 output for Schaeffler India.

Revenue Mix for Peers

Contribution of Automotive to Overall Revenue													
Sl. No	Competitor	H1 2025		H1 2024		2024		2023		2022		2021	
		Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive
1	Carraro India Limited	0.30 %	99.70 %	0.10 %	99.90 %	0.50 %	99.50%	0.50%	99.50%	0.50%	99.50%	-	-
2	ZF India Private Limited	NA	NA	NA	NA	NA	NA	95.44%	4.56%	97.36%	2.64%	-	-
3	Comer Industries India Private Limited	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-	-
4	Dana India Private Limited	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-	-
5	Linamar India Private Limited	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-	-
6	AAM India Private Limited	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-	-
7	JCB	NA	NA	NA	NA	0%	100%	0%	100%	0%	100%	-	-

Contribution of Automotive to Overall Revenue													
Sl. No	Competitor	H1 2025		H1 2024		2024		2023		2022		2021	
		Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive	Automotive	Non-automotive
8	Bull Machine	NA	NA	NA	NA	0%	100%	0%	100%	0%	100%	-	-
9	TAFE	NA	NA	NA	NA	0%	100%	0%	100%	0%	100%	-	-
10	International Tractors Ltd. (Sonalika)	NA	NA	NA	NA	0%	100%	0%	100%	0%	100%	-	-
11	Escorts Kubota	NA	NA	NA	NA	0%	100%	0%	100%	0%	100%	-	-
12	Action Construction Equipment	NA	NA	NA	NA	0%	100%	0%	100%	0%	100%	-	-
13	Ramkrishna Forgings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-	-
14	Happy Forgings	NA	NA	NA	NA	43.20%	56.80%	43.65%	56.35%	NA	NA	-	-
15	Sona BLW Precision Forgings Ltd.	NA	NA	NA	NA	90.00%	10.00%	88.00%	12.00%	85.00%	15.00%	-	-
16	Schaeffler India	NA	NA	NA	NA	NA	NA	59.25%	40.75%	57.65%	42.35%	55.48%	44.52%

Source: Annual Reports, SEBI, Markets and Markets Analysis. Note: Data is as per financial year across all companies except for Schaeffler India where the reported financials are for the calendar year. Hence, for Schaeffler India CY 2023, CY2022, CY2021 have been considered.

Technology Benchmarking

Enhancing productivity through extended service interval and improved reliability remains critical for off-highway vehicles. There is a growing need for high-capacity axles, driven by increasing demand for weight-bearing capabilities and powerful HP tractors. Additionally, there is a growing adoption of digitalization and advanced technology aimed at predictive maintenance and improving maneuverability. By analyzing data on load distribution, tire pressure, and operating temperatures, potential problems are predicted early, allowing for proactive maintenance scheduling to optimize vehicle performance and longevity.

In EU and US, with increasing digitization, there is a growing demand for 4WD and high HP tractors. This impacts Indian manufactures, particularly manufacturers of components, axles, and transmissions. Axles and transmissions for agricultural tractors and construction vehicles are also witnessing developments, such as enabling 4WD. For example, a leading tractor manufacturer in India redesigned its rear axle to reflect real-world usage patterns and load carriage. Additionally, tractors are also being used for various applications within the agricultural scope. Multi-utility tractors are in demand, which places demands for axles and transmissions. Motor-integrated e-axles and transmissions are expected to come into the market by CY2029.

The Indian agricultural axle and driveline market will continue to evolve with the demand for higher capacity, fuel efficiency, increased technology adoption, and the ‘Make in India’ initiative supporting high-tech localization.

Technology Benchmarking

Sl. No	Competitor	Axle	Transmissions & Gearboxes (Drivelines)	Gears / Shafts / Components
1	Carraro India Limited	o	o	o
2	ZF India Private Limited	o	o	
3	Comer Industries India Private Limited	o	o	o
4	Dana India Private Limited	o	o	o
5	Linamar India Private Limited	NA	NA	NA
6	AAM India Private Limited	o	o	o
7	JCB	o	o	
8	Bull Machine	NA	NA	
9	TAFE	o	NA	o
10	International Tractors Ltd. (Sonalika)	o	o	o
11	Escorts Kubota	NA	NA	

Sl. No	Competitor	Axle	Transmissions & Gearboxes (Drivelines)	Gears / Shafts / Components
12	Action Construction Equipment	NA	NA	
13	Ramkrishna Forgings	o	o	o
14	Happy Forgings	o		
15	Sona BLW Precision Forgings Ltd.			o
16	Schaeffler India			o

Source: Company websites and publications. Note: The benchmarking is done for overall products offered by each entity. For the agricultural and construction equipment industry.

LIST OF ABBREVIATIONS

Abbreviations	Full Form
AGC	Associated General Contractors of America
ARA	American Rental Association
BCA	Building and Construction Authority
Bn	Billion
CAGR	Compounded Annual Growth Rate
CARB	California Air Resources Board
CCID	China Electronic Information Industry Development
CCMA	China Construction Machinery Association
CNG	Compressed Natural Gas
CY	Calendar Year
DOC	Diesel Oxidation Catalyst
DPF	Diesel Particulate Filter
EGR	Exhaust Gas Recirculation
EPA	Environmental Protection Agency
EU	European Union
FY	Fiscal Year
GCP	Global Construction Perspectives
GDP	Gross Domestic Product
GTR	Global Technical Regulation
HP	Horsepower
Japan CEMA	Japan Construction vehicle Manufacturers Association
JCB	J C Bamford Excavators Ltd.
LNG	Liquefied Natural Gas
NHAI	National Highways Authority of India
OEM	Original Equipment Manufacturer
OHV	Off Highway Vehicles
RNG	Renewable Natural Gas
RoW	Rest of the World
RTLT	Rough Terrain Lift Truck
SCR	Selective Catalytic Reduction
UK	United Kingdom
US	United States
USD	United States Dollar

OUR BUSINESS

*Unless otherwise stated, references in this section to "we", "our" or "us" are to the Company and references to "the Carraro Group" are to Carraro S.p.A. and any company that is (i) directly or indirectly owned or controlled by Carraro S.p.A., or (ii) is under the same direct or indirect ownership or control of Carraro S.p.A. In June 2024, we completed our acquisition of Carraro Technologies India Private Limited ("**CTIPL**"). As our Company and CTIPL were under common control before and after our acquisition of CTIPL, pursuant to the requirements of Appendix C of the Ind AS 103, the Restated Consolidated Financial Information as of and for the six months ended September 30, 2023 and as of and for Fiscals ended March 31, 2024, 2023 and 2022 in this section has been restated to include the financial information for CTIPL in the relevant period and Fiscals. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with "**Risk Factors**", "**Industry Overview**", "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 25, 131, 279, and 350, respectively as well as financial and other information contained in this Red Herring Prospectus as a whole. Additionally, please refer to "**Definitions and Abbreviations**" beginning on page 1 for definition of certain terms used in this section.*

*The industry information contained in this section is derived or extracted from the industry report titled "Strategic Analysis of the Indian Agricultural Tractor and Construction Vehicle Component Market" dated December 5, 2024, which is exclusively prepared for the purposes of the Offer and issued by Markets and Markets Research Private Limited and is commissioned and paid for by our Company ("**Markets and Markets Report**"). The Markets and Markets Report will be made available on the website of our Company at https://www.carraroindia.com/investors/investor-information/other-documents from the date of this Red Herring Prospectus until the Bid/Offer Closing Date. We commissioned and paid for the Markets and Markets Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the Markets and Markets Report. The Markets and Markets Report has been designated a material document for inspection in connection with the Offer. See "**Material Contracts and Documents for Inspection**" on page 488.*

*We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For reconciliation of the Non-GAAP financial measure to the most directly comparable financial measures prepared in accordance with Ind AS, see "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures**" on page 372. For risks relating to non-GAAP measures, see "**Risk Factors – Internal Risks – We track certain operational metrics and non-GAAP measures for our operations. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation**" on page 64.*

*Some of the information set out in this section, especially information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "**Risk Factors**" beginning on page 25 for a discussion of certain factors that may affect our business, financial condition or results of operations and "**Forward Looking Statements**" beginning on page 23 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein for six months ended September 30, 2024 and September 30, 2023, Fiscals 2024, 2023 and 2022 is based on our Restated Consolidated Financial Information included in this Red Herring Prospectus. For further information, see "**Restated Consolidated Financial Information**" on page 279. The Company's fiscal year ends on March 31 of every year, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year.*

Overview

We are a technology driven integrated supplier that develops complex engineering products and solutions for our original equipment manufacturer ("**OEM**") customers. We are an independent tier 1[1] solution provider of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India. We support the full value chain of services as a solution provider for axles, transmission systems, gears and other related components with in-house product design manufacturing capabilities.

Our Promoter, Carraro S.p.A., is the parent company of the Carraro Group which designs, manufactures and sells transmission systems (axles, transmissions and drives) mainly for agricultural and construction equipment for off-highway vehicles, in addition to marketing a wide range of gears for diverse sectors, from automotive to trucks to agricultural and construction vehicles. The Carraro brand is owned by Carraro S.p.A. and licensed to us pursuant to a licensing agreement with Carraro S.p.A.

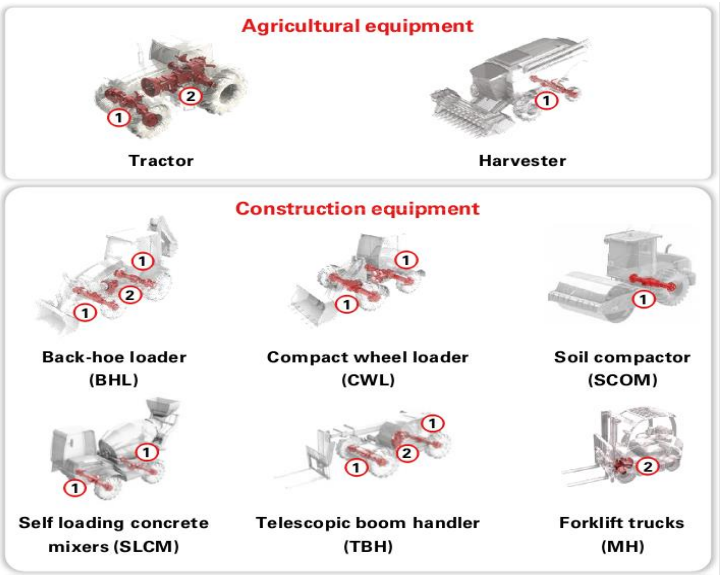
According to the Markets and Markets Report, our Company was among the pioneers to enter the agricultural tractor and construction vehicle component market with its dedicated R&D team and center as the Carraro Group entered India in 1997 and established its manufacturing facility in Pune and R&D center in 2006 (see page 180 in "***Industry Overview***"). We have been present in India for 27 years and have developed an extensive network with local and international customers and suppliers based in India. As an early-mover, we have had more time than our competitors to understand the market, identify customer needs and develop lasting customer relationships. As a result of our customized products, we believe our customers are subject to high switching costs in case of a change of manufacturer.

We primarily manufacture axles and transmission systems for agricultural tractors and construction vehicles such as backhoe loaders, soil compactors, cranes, self-loading concrete mixers and small motor graders. Our products are mission critical for our customers, as our products constitute important components of our customers' final products. We provide a diverse range of products including axles and transmission systems of different HP ranges for off-highway vehicles in the agricultural tractor and construction vehicle sectors, as well as gears, shafts and ring gears for industrial and automotive vehicles. The following graph sets out our offering of axles and transmission systems:

	Agricultural tractor			**Construction vehicle**		
Axles						
	30 – 50 HP	49 – 135 HP	50 – 75 HP	Steering Axle 1 - 9.5 T UVW	Rigid Axle 1-9.5 T UVW	Rigid Hypoid Axle 5 - 17 T UVW
Transmission Systems						
	T40 & T50	50-90 HP	Upto 150 HP	TCB80	TCB80SPS	Hydrostatic Infinitely Variable

The following graph sets out the application of our transmission systems and axles:

[1] According to the Markets and Markets Report, Tier 1 suppliers are suppliers which supply manufactured products directly to an OEM (see page 179 in *"**Industry Overview**"*).



Notes:
1. *Axles*
2. *Transmissions*

We also supply gears mainly used in industrial and automotive markets, spare parts which are primarily loose components of agricultural tractors and construction vehicles and other products which are non-core parts of agricultural tractors and construction vehicles.

Established in 1997, our Company started manufacturing transmission systems and axles in 1999 and 2000, respectively. We started to manufacture products for the Indian market by understanding our customer needs, leveraging the Carraro Group's research and development ("**R&D**") capability and knowhow to design and produce our products based on market trends, procuring materials at optimal costs from our supplier base and manufacturing our products in our own plants.

CTIPL was established in 2006 and focused on R&D of axles, transmission systems and other components of agricultural tractors and construction vehicles as an engineering service provider to Carraro S.p.A.'s global R&D center. Historically, CTIPL has participated in the design and development of products of the Carraro Group as a service provider and has focused on R&D of axles, transmission systems and other components of agricultural tractors and construction equipment. On October 1, 2023, Carraro S.p.A. transferred the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company and entered into an engineering service agreement with our Company to provide engineering support services on the maintenance of products and child parts to support our development needs. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***" on pages 249 and 250, respectively. In June 2024, we completed our acquisition of CTIPL at a consideration of ₹ 239.82 million, after which CTIPL has become our Subsidiary. The acquisition was conducted at arms' length basis and the consideration for such transaction was determined based on the valuation report dated June 20, 2024 issued by Rathi Rathi and Co., Chartered Accountants, pro-rated by the number of our acquired equity shares of CTIPL. As a result of the acquisition, we acquired the R&D center in Pune, Maharashtra, India and the R&D team of CTIPL. The transfer of the foregoing IP rights and our acquisition of CTIPL, together with the engagement of Carraro S.p.A. to support our development needs, enabled us to further strengthen our R&D offering and to integrate the design, R&D and manufacturing capabilities of our products, which is pivotal in enhancing our competitive position in India. For further details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years – Acquisition of Carraro Technologies India Private Limited***" on page 248.

According to the Markets and Markets Report, the Company's comprehensive service offering sets it apart from other players in the Indian market (see page 180 in "***Industry Overview***"). According to the Markets and Markets

Report, our Company's ability to provide a seamless, end-to-end experience for our customers – from initial design and customization to material procurement, in-house manufacturing, supply chain management, delivery, and after-sales service – is a key differentiator (see page 180 in "***Industry Overview***"). For further details of the R&D capabilities of CTIPL which we acquired in June 2024, see "**– *Strengths – Strong, in-house R&D capabilities with proprietary IP rights to facilitate innovation of future-ready products***" and "**– *Product Design, Research and Development***" on pages 205 and 219, respectively.

We own and operate two manufacturing plants in Pune, Maharashtra, India, which are the driveline manufacturing plant occupying a plot area of approximately 84,000 square meters and the gears manufacturing plant occupying a plot area of approximately 78,000 square meters. The manufacturing plants are equipped with technologies including the casting machining, assembly, prototyping, testing and painting in our driveline manufacturing plant and the gears machining, heat treatment (carburizing, induction, hardening and nitriding) technologies in our gears manufacturing plant. Our gears manufacturing plant also holds the IATF 16949:2016 quality management certification. The following table sets forth the production capabilities of our driveline manufacturing plant and our gear manufacturing plant in the six months ended September 30, 2024 and 2023 and the past three Fiscals:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of axles produced at our driveline manufacturing plant (1)	42,144	36,223	68,961	74,342	72,654
Number of transmission systems produced at our driveline manufacturing plant (1)	19,635	27,091	46,579	47,055	47,129
Number of other components produced (loose trumpet and loose drop box) at our driveline manufacturing plant (1)	8,112	11,853	14,066	10,772	11,503
Capacity utilization of our driveline manufacturing plant (%) (2)	76.83%	88.84%	81.07%	80.20%	82.27%
Number of gears, shafts, ring gears and other related components produced at our gear manufacturing plant (1)	903,999	969,498	1,618,845	1,676,707	1,525,468
Capacity utilization of our gear manufacturing plant (%) (2)	71.42%	89.77%	89.94%	93.15%	84.75%

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Notes:

(1) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.

(2) As all products vary significantly in terms of value addition, cost, weight, input resources etc., the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where, production is drastically reduced due to fewer customer orders, no weightage is given.

For further details, see *"***– *Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization****"* on page 223.

Over the years, we have built customer relationships through decades of close collaboration and supply of our customized products. As of September 30, 2024, we supply to 38 manufacturers in India. Further, as of September 30, 2024, we also supplied to manufacturers internationally, to some of whom we export through Carraro Drive Tech Italia S.p.A., the Carraro Group's driveline business leader. For a distribution of customers by product sectors, see "– ***Strengths – Customer-centric offering of customized solutions to a longstanding OEM customer base***" on page 202. Our key customers are primarily India-based OEMs including large domestic OEMs and international OEMs with Indian subsidiaries or operations. We have long-term relationships with our top 10 customers based on their revenue contribution on consolidated groups basis as of September 30, 2024, which have continuously engaged us for at least 15 years. For further details, see "**– *Description of Our Business and Operations – Sales and Distribution – Customer Relationships and Network***" on page 232.

Our Company has received various accolades and recognition from our customers and received various awards, including the following:

Calendar year in which the recognition was received	Accolades and Recognition
2024	• "Corporate Social Responsibility" award for outstanding contribution towards CSR activities from Manitou • "Best in Spares Parts" award and "long-term relationship" certification from Escorts Kubota Limited • "Special Appreciation Award (Extraordinary Support)" from a customer
2023	• "Best SPD Performance (Farm Division)" award in recognition of outstanding performance achieved for Fiscal 2023 from Mahindra • "Decade of Dedication Award 2023" by Dynapac
2022	• "Annual Commodity Award (Forging – Farm Division)" in recognition of superior performance for Fiscal 2022

We have developed expertise in the agricultural tractor and construction vehicle industry in India and have developed a network of 220 suppliers based in eight states in India and 58 suppliers internationally. We have engaged our top 10 suppliers as of September 30, 2024 based on percentage of cost of materials consumed for an average of 15 years.

We have a stable management team, consisting of our Key Managerial Personnel and Senior Management. This team has been with our Company for an average of more than 11.3 years. Our management team has diversified experience in business, manufacturing, supply chain and financial management. For further details, see **"*Our Management*"** on page 253.

Our unique positioning as a key supplier to OEM customers, backed by 27 years of operating experience in India, competitive R&D and manufacturing capabilities and long-standing customer and supplier networks, have enabled us to deliver growth over the years in terms of our profitability, return on equity and return on capital employed. The table below sets forth our selected financial and operating metrics as of and for the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022:

Particulars	For six months ended September 30,		As at/ for Fiscal ended March 31,			CAGR (Fiscal 2022 to Fiscal 2024)
	2024	2023	2024	2023	2022	
	(in ₹ million, unless otherwise specified)					
Revenue from operations	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43	9.32%
Revenue by product sector	9,106.36	9,561.37	17,797.04	17,037.49	14,903.08	9.30%
– Agricultural Tractor	4,250.34	4,263.90	7,933.86	8,323.09	7,459.03	3.13%
– Construction Vehicle	3,576.03	3,965.72	7,271.77	6,477.44	5,325.70	16.85%
– Others	1,201.50	1,229.25	2,406.30	2,056.68	1,958.54	10.60%
Revenue by geography						
India	5,955.68	6,110.48	11,412.99	10,531.12	9,419.47	10.07%
Exports [(1)]	3,150.68	3,450.89	6,384.05	6,506.37	5,483.61	7.90%
– European Union	3,027.09	3,350.11	6,164.34	5,885.77	4,907.91	12.07%
– Asia (other than India)	90.85	42.86	142.53	104.46	119.98	8.99%
– Americas	24.48	33.27	77.00	516.14	455.72	(58.89)%
– Rest of the world	8.26	24.65	0.18	0.00	0.00	-[#]
Other operating income (scrap sales)	39.83	48.90	92.61	93.96	72.35	13.14%
EBITDA [(2)*]	1,010.96	661.45	1,499.95	1,248.11	828.63	35.90%
EBITDA margin [(3)*] *(%)*	10.96%	6.81%	8.30%	7.20%	5.45%	24.63%
Profit for the period/ year	497.34	249.37	625.63	484.59	224.26	70.79%
Profit after tax margin[(4)*] *(%)*	5.44%	2.59%	3.50%	2.83%	1.50%	56.23%
Return on Equity [(5)*]	12.60%	7.12%	17.69%	15.39%	7.93%	53.09%
Return on Capital Employed [(6)*] *(%)*	13.13%	8.14%	19.35%	16.30%	10.00%	40.35%
Net Debt to EBITDA Ratio [(7)*] (*in times*)	(1.05)	(2.53)	(0.91)	(0.89)	(1.35)	(17.28)%
Net working capital [(8)*]	2,175.63	1,512.95	1,389.61	1,611.48	837.91	27.68%
Operational working capital [(9)*]	1,900.74	2,111.53	1,636.70	1,305.98	650.21	63.16%

Notes:

(1) We export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers outside of Asia through Carraro Drive Tech Italia S.p.A.

(2) EBIDTA represents the restated profit before tax for the period/ year plus finance cost and depreciation and amortization expenses.

(3) EBIDTA margin represents EBIDTA as a percentage of total income.

(4) Profit after tax margin represents profit after tax divided by revenue from operations.

(5) Return on Equity represents restated profit after tax divided by average equity.

(6) Return on Capital Employed represents EBIT as a percentage of Capital Employed. EBIT is calculated as the sum of restated profit before tax for the period/ year and finance cost. Capital Employed represents the sum of (i) tangible net worth, (ii) total debt and (iii) deferred tax liabilities.

(7) Net Debt to EBITDA ratio represents Net Debt divided by EBITDA. Net Debt represents (i) the sum of other financial assets, cash and cash equivalents and other current financial assets, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities.

(8) Net working capital represents the difference between current assets and current liabilities.

(9) Operational working capital represents the sum of trade receivables and inventories, minus trade payables.

** For a reconciliation of non-GAAP measures, see "**Management's Discussion and Analysis of our Results of Operations – Non-GAAP Financial Measures**" on page 372.*

CAGR from Fiscal 2022 to Fiscal 2024 is not applicable since our Company commenced exports to rest of the world since Fiscal 2024.

Strengths

Our competitive strengths are:

One of the leading tier 1 suppliers of transmission systems and a key supplier of axles in the agricultural tractor and construction vehicle industries in India with competitive moat for mission critical and complex driveline components

According to the Markets and Markets Report, our Company is one of the leading independent tier 1 suppliers of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India, and as of March 31, 2024, our Company has established itself as the market leader in providing transmission systems for tractors up to 150HP and four wheel drive capabilities (see page 181 in "***Industry Overview***"). According to the Markets and Markets Report, as of 2023, our Company is the leading sole supplier in the non-captive segment of the agriculture tractors transmission market and the market leader with a 60-65% share of the non-captive

construction vehicle transmission market (see page 177 in "***Industry Overview***"). We have leveraged our deep understanding of the Indian market based on our early-mover advantage, long-term relationships with customers and diversified product offering with established reliability to provide ourselves with a competitive moat as a tier 1 solution provider of choice for our Indian customers. Our axles and transmission system products are mission critical for our customers, as our products constitute important components of our customers' final products. According to the Markets and Markets Report, our Company's axles and transmission system products are not easily replaceable with components for other suppliers due to the complexity of these components and the time required to adapt them for use by an OEM customer in its products (see page 180 in "***Industry Overview***"). We believe the complexity of our products and the length of our customer relationships therefore position us favorably vis-à-vis competition from other suppliers.

Our Promoter, Carraro S.p.A., is the parent company of the Carraro Group which designs, manufactures and sells transmission systems (axles, transmissions and drives) mainly for agricultural and construction vehicles for off-highway vehicles, in addition to marketing a wide range of gears for very diverse sectors, from automotive to trucks to agricultural and construction vehicles. We have maintained a close relationship and strong synergy with other entities in the Carraro Group, through which we are able to benefit from the Carraro Group's in-depth understanding of the OEMs' needs due to the presence in the product sectors and collaborate with the Carraro Group's global R&D centers for knowhow and technologies. We also export to some of our international customers through Carraro Drive Tech Italia S.p.A., the Carraro Group's driveline business leader.

We entered into the Indian market in 1997 when we established our manufacturing center in Pune, Maharashtra, India and our Company started manufacturing transmission systems and axles in 1999 and 2000, respectively. According to the Markets and Markets Report, we were among the pioneers to enter the agricultural tractor and construction vehicle component market with its dedicated R&D team and center as the Carraro Group entered India in 1997 and established its manufacturing facility in Pune and R&D center in 2006 (see page 180 in "***Industry Overview***"). As an early-mover, we have had more time than our competitors to understand the market, identify customer needs and develop long lasting customer relationships. Further, since high investments are required for technology and manufacturing plants and extensive time and manpower are required for laboratory and field testing of products, we believe we benefit from our early-mover advantage in India and have developed our product suite which mostly consist of customized products. In the past 27 years, we have grown our business in the domestic market and in the six months ended September 30, 2024 and Fiscal 2024, we have generated approximately 65.40% and 64.13% of our revenues from domestic sales, respectively.

To date, with the support of the R&D capabilities of CTIPL, we have developed a diversified product offering in three sectors, namely agricultural tractors, construction vehicles and others. For further details, see "**– *Description of Our Business and Operations – Our Products***" on page 212. According to Markets and Markets, the Carraro Group's product sectors, which include transmission systems and axles for agricultural tractors and construction vehicles, serve significant addressable markets with strong growth prospects (see page 179 in "***Industry Overview***"). Our market opportunity and offerings in each sector is as follows:

- Agricultural tractors: We manufacture axles and transmission systems for agricultural tractors, in India based on our customers' specifications, which include customized requirements on technical specifications, use case, mechanical and structural design, among others. We also export these products. According to the Markets and Markets Report, the sales volume of the agricultural tractor market in India grew at a CAGR of 5.9%, increasing from 804,000 units in CY2019 to 1,011,697 units in CY2023 and it is projected to continue growing at a CAGR of 8.2% from CY2024 to CY2029 (see page 149 in "***Industry Overview***"). Our revenue from the agricultural tractors sector increased at CAGR of 3.13% from ₹ 7,459.03 million in Fiscal 2022 to ₹ 7,933.86 million in Fiscal 2024 and remained stable at ₹ 4,263.90 million and ₹ 4,250.34 million in the six months ended September 30, 2023 and 2024, respectively. According to Markets and Markets, the growth of the Indian agricultural tractor component market is primarily driven by the overall expansion of the Indian tractor market, the unit sales of which grew at a CAGR of 5.9% from CY2019 to CY2023 and is anticipated to continue this growth trajectory, with a projected CAGR of 8.2% from CY2024 to CY2029 (see page 168 in "***Industry Overview***").

- Construction vehicles: We manufacture gears and transmission systems for backhoe loaders, compact wheel loaders, telehandlers, crane, forklift, aerial working platforms, self-loading concrete mixers and soil compactors for use in construction. According to the Markets and Markets Report, the sales volume of the construction vehicle market in India increased at CAGR of 4.2% from 92.5 thousand units in CY2019 to 109.0 thousand units in CY2023, and is expected to grow at CAGR of 5.0% from CY2024 to CY2029 (see page 157 in "***Industry Overview***"). Our revenue from the construction vehicle sector increased at CAGR of 16.85% from ₹ 5,325.70 million in Fiscal 2022 to ₹ 7,271.77 million in Fiscal

2024 and remained stable at ₹ 3,965.72 million and ₹ 3,576.03 million in the six months ended September 30, 2023 and 2024, respectively. According to the Markets and Markets Report, the Indian construction vehicle industry is poised for significant growth, driven by an expanding economy, supporting government initiatives, rising urbanization and industrialization, and large-scale infrastructure projects (see page 156 in "***Industry Overview***"). According to the Markets and Markets Report, the India construction vehicle sales are expected to grow from 109,028 units in CY2023 to 147,447 units by CY2029 at a projected CAGR of 5.0% (see page 169 in "***Industry Overview***").

- Others: We also manufacture a diverse range of products beyond our core offerings of axles and transmissions for agricultural and construction equipment, which include additional products such as gears, shafts, and ring gears for industrial and automotive vehicles. Our revenue from the others sector increased at CAGR of 10.84% from ₹ 1,958.54 million in Fiscal 2022 to ₹ 2,406.3 million in Fiscal 2024 and remained stable at ₹ 1,229.25 million and ₹ 1,201.50 million in the six months ended September 30, 2023 and 2024, respectively.

Customer-centric offering of customized solutions to a longstanding OEM customer base

Our products constitute an indispensable mission critical component of the final product sold by our OEM customers. We are a one-stop shop tier 1 OEM supplier that develops customized solutions to our India-based customers, including customers in India and international customers with Indian subsidiaries or operations, by covering the full value chain from R&D to manufacturing of axles and transmission systems. We endeavor to identify emerging customers' needs and provide a comprehensive solution to our customers from planning to launching and maintaining their off-highway vehicles and gears.

The following sets out case studies of our solutions provided to customers in the past:

Mahindra Motor Graders – RoadMaster G75 & G90 Smart

In the reference market of motor graders with less than 100 HP, Mahindra identified a demand for customized models. The Carraro Group worked with Mahindra, our customer, from the concept stage of launching a product to address such demand.

With a year-long market study of Indian roads and its infrastructure, the Carraro Group innovatively proposed a modified version of backhoe loader drivelines (Transmission TCB80 with two rigid axles per vehicle) in 2016 to produce a more cost-efficient result than the traditional bogie axles. The product was defined after R&D, prototyping (including virtual validation and finite element analysis) and more than six months of field validation at various customer-end locations, and we have supplied axles and transmission systems to Mahindra for its RoadMaster G75 and RoadMaster G90 Smart since 2019 and 2016, respectively:



RoadMaster G75



RoadMaster G90 Smart

We also provided a tailored solution to meet the packaging requirements presented by Mahindra.

Mahindra Haulage Tractor (Haul master)

To meet the emerging need for tractors that are suitable for haulage use with lower costs of ownership and performance stability, the Carraro Group proposed the use of Transmission TCB80SPS (servo power shift), which is a semi-automatic transmission instead of full automatic transmission available in reference market, with front steering and rear rigid rear axle, such that the product is suitable for wider tracks. To achieve brake efficiency in long haulage operations and to maintain low oil temperature around oil immersed brakes, the Carraro Group designed a recirculating braking cooling system by using the transmission as oil reservoir and circulating oil between the transmission and rear axle. Based on the foregoing design, the Carraro Group worked with Mahindra in developing a cost-effective technically advanced driveline for a chassis-based tractor:



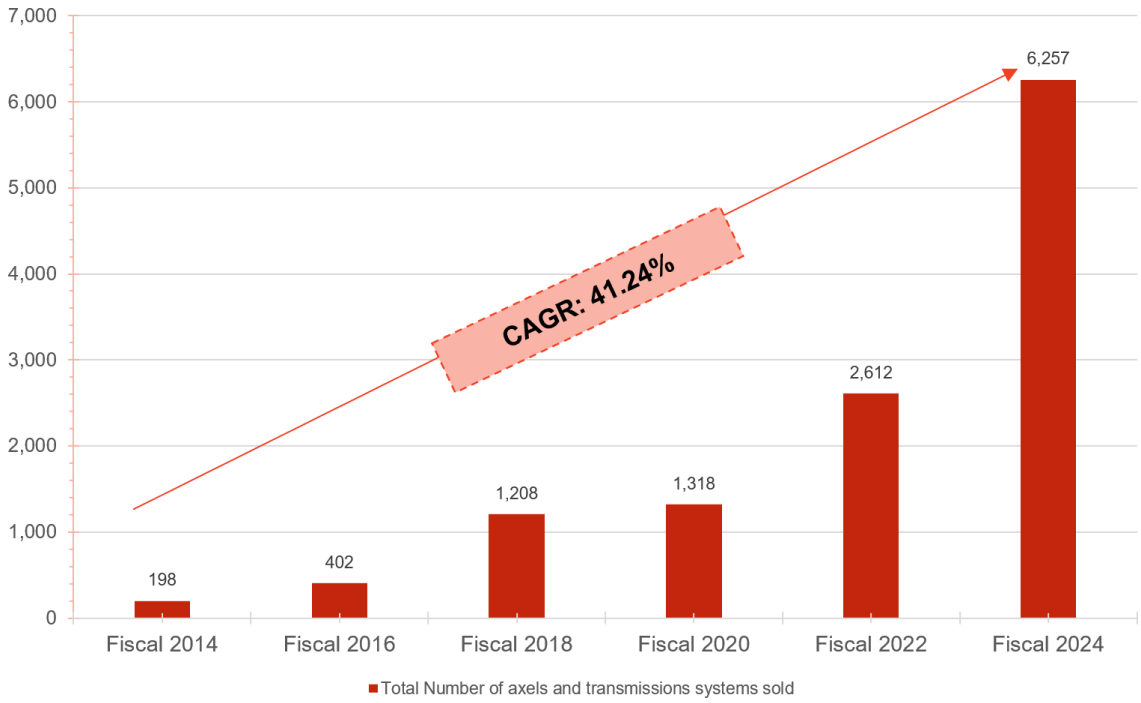
Haulage tractor (Haul master)

Bull Machines backhoe loader and loaders series

We manufacture and supply front and rear axles as well as transmission systems for two-wheel drive, four-wheel drive and servo power shift (SPS) for Bull Machines' backhoe loader and loaders series:



Our products, including transmissions TCB80 2WD, TCB80 4WB and TCB80 SPS, rear RIGID axle 28.32 and 28.43 as well as front steering axles 26.22, form integral parts of Bull Machines' backhoe loader and loaders series. We have supported Bull Machines in its business growth over the years and according to Markets and Markets, Bull Machines is the 7th largest OEM in the backhoe loaders segment in India (see page 180 in "***Industry Overview***"). We also benefit from Bull Machines' business growth as it has increased its purchase orders with us, the following graph sets out the number of our axles and transmission sold to Bull Machines from Fiscal 2013 to Fiscal 2024:



The above case studies showcase our value proposition as a one-stop shop supplier to support our customers in entering into untapped markets, providing operational and cost-optimal variants in existing markets and servicing a wider end-customer base. This allows us to play an instrumental role in our customers' business model and to grow our customer base.

As of September 30, 2024, we have a customer base of 38 customers in India. Further, as of September 30, 2024, we also supplied to customers internationally (to some of whom we export through Carraro Drive Tech Italia S.p.A.), which are primarily OEMs. The following sets forth our key customers which include leading domestic and international brands:

Product Sector	Customers		
Agricultural tractor sector			
			
			
Construction vehicle sector			
			
			
			
Others sector			

We have maintained a diverse customer base of both domestic customers who have placed purchase orders in India and beyond and international customers who have placed purchase orders entirely outside of India through the Carraro Group. 65.40% and 34.60% of our revenue in the six months ended September 30, 2024 and 64.13% and 35.87% of our revenue in Fiscal 2024 were attributed to domestic customers and overseas customers, respectively.

We usually enter into long-term contracts with our customers of at least five years, with additional schedules executed based on each new order received. The contracts provide for product specification, delivery terms and payment terms. Since we manufacture products tailored for the type of agricultural tractor and construction vehicle, our customers may therefore need to incur high costs to develop and test products from other suppliers as substitutes for our products, resulting in our longstanding and deep relationships with customers. We have long-term relationship with our top 10 customers, which have continuously engaged us for at least 15 years as of September 30, 2024. The following table sets forth details of our customers for the six months ended September 30, 2024 and 2023 and the past three Fiscals, which shows our customer base:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of customers	**44**	**41**	**44**	**41**	**42**
Agricultural tractor sector only	12	11	12	9	10
Construction vehicle sector only	18	16	16	17	15
Agricultural tractor and construction vehicle sectors	5	5	6	6	6
Others sector	9	9	10	9	11
Revenue from operations contribution from customers (in ₹ million)	**9,146.19**	**9,610.27**	**17,889.65**	**17,131.45**	**14,975.43**
Customers of less than five years	3,657.10	4,339.96	8,075.19	7,040.49	5,458.27
Customers of more than five years but less than 10 years	1,255.67	991.64	2,004.06	2,012.43	1,359.17
Customers of more than 10 years	4,233.45	4,278.67	7,810.40	8,078.53	8,157.99

For further details of our customers, see "***– Description of our Business and Operations – Sales and Distribution – Customer Relationships and Network***" on page 232.

Longstanding relationships with marquee local and international supplier base

As a one-stop shop OEM supplier, we have an established presence in the agricultural tractor and construction vehicle markets, during which time we have developed longstanding relationships with local suppliers in India and leveraged on the Carraro Group's support for their relationship with international suppliers.

As of September 30, 2024, we have a supplier base of 220 suppliers spanning across eight states in India and 58 suppliers internationally. As we conduct assembly and machine castings in-house, all of our suppliers are component suppliers, from whom we source components such as bearings, forgings, castings, brakes and clutch, cylinders and hydraulic rear lifts.

Further, we focus on local sourcing for supply in order to lower the production cost, optimize supply chain logistics and minimize lead times. For the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, representing 74.42%, 72.69%, 73.18%, 74.58% and 73.67% of our materials were procured from our domestic suppliers, respectively. We also source from international suppliers in Europe, the People's Republic of China and Japan.

We endeavor to source at least two suppliers for any given component or raw material to ensure supply at any given time, avoid dependency on single source, mitigate the potential supplier concentration risk and retain flexibility in delivery and cost pressures of our supplies. We select suppliers by reviewing the suppliers based on our internal quality, cost, delivery and development ("**QCDD**") metrics, including number of defect parts, competitive pricing, adherence to deadlines and the overall past performance. We enter into long term contracts with suppliers with maximum and minimum capacity rates and year on year discounts to ensure stability of the supplier base, and we periodically provide rapid improvement workshops to our suppliers as a quality assurance measure. Our extensive and stable supplier base facilitates our quality control, cost optimization and risk mitigation, which in turn support our business growth in the long run.

Strong, in-house R&D capabilities with proprietary IP rights to facilitate innovation of future-ready products

According to Markets and Markets, our Company was among the first to enter the agricultural tractor and construction vehicle component market with its dedicated R&D team and center as the Carraro Group entered India in 1997 and established its manufacturing facility in Pune and R&D center in 2006 (see page 180 in "***Industry Overview***"). Established in 1997, our Company started manufacturing transmission systems and axles in 1999 and 2000, respectively. As part of the Carraro Group, we use the Carraro corporate name, logo and trademarks pursuant to an agreement with Carraro S.p.A. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements – and other material agreements – Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")***" on page 249. Historically, CTIPL has participated in the design and development of products of

the Carraro Group as a service provider and has focused on R&D of axles, transmission systems and other components of agricultural tractors and construction equipment.

On October 1, 2023, Carraro S.p.A. transferred the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company and entered into an engineering service agreement with our Company to provide engineering support services on the maintenance of products and child parts to support our development needs. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***" and "***History and Certain Corporate Matters – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***" on pages 249 and 250, respectively. After our Company's acquisition of CTIPL in June 2024, we also acquired the R&D center in Pune, Maharashtra, India and the R&D team of CTIPL. CTIPL will continue providing service support to the Carraro Group's R&D departments. After the foregoing transfer of IP rights and acquisition of CTIPL, our Company has integrated the design, R&D and manufacturing capabilities of our products, which is pivotal in enhancing our competitive position in India.

Through the acquisition of CTIPL, we acquired the dedicated R&D center which holds the ISO 9001 quality management system accreditation. Further, we also maintain close connection with the global R&D centers owned by the Carraro Group, with which we collaborate on product design and development. For example, the R&D center of CTIPL has provided engineer services to the Carraro Group's Luxembourg R&D center and a customer in developing E-trans, a new agricultural and off-road transmission which is compatible with both hydrostatic and full electric versions and is expected to be manufactured in our manufacturing plants in India. This project enabled us to internalize and develop specific technical competences on electric projects, as well as positioning ourselves as an innovative player in the space with potential for collaboration in product development.

The Carraro Group's R&D team supports the R&D of our products conducted through CTIPL. We also focus on R&D of new application to define new products in order to adapt to changing market needs. We endeavor to research and develop future-ready product innovations which can be integrated in future technologies to enable us to keep pace with market development. Over the years, the CTIPL R&D team has supported the Carraro Group R&D team to launch the following products of the Carraro Group:

- Launch of 120 HP tractor transmission in 2013;
- Launch of the 20.09/20.14/20.16 series of planetary axle customized for local market applicable for tractor up to 90 HP in 2014 to 2015;
- Launch of steering axle applicable for 4-WD vehicle in 2016;
- Launch of SCOM axle with hypoid design, which replaced the old design of SCOM axle with improved product life cycle) in 2019;
- Launch of the 40.16 series of planetary axle in 2022 with enlarged usage of axle in tractor market application such as loaders or harvesters, as compared to the 20.16 series; and
- Launch of AG Evo transmission in 2022, which caters to higher HP range at 100-150 HP and higher technology level with wet clutches in power take-offs (PTO).

The following table sets forth CTIPL's R&D capabilities and achievements as at and for in the six months ended September 30, 2024 and 2023 and Fiscals ended March 31, 2024, 2023 and 2022:

Particulars	As at and for six months ended September 30,		As at and for Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of R&D employees of CTIPL	56	57	57	50	58
Number of new prototypes developed by our Company	1	12	20	4	5
Number of prototypes brought into production by our Company	7	3	7	4	1

By combining our Company's manufacturing capability with the acquired R&D capability from CTIPL, we will be design and manufacture products beyond the standard components or designs, which in turn supports our value proposition as a one-stop shop supplier for tailored solutions according to the customers' business needs with a focus on innovation in product design and manufacturing.

Technologically advanced manufacturing plants with large production capacities and in-house gear production capabilities

We own and operate two manufacturing plants in Pune, Maharashtra, India, namely the driveline manufacturing plant and the gears manufacturing plant, which are in close proximity to our key suppliers.

Driveline Manufacturing Plant

Our driveline manufacturing plant of approximately 84,000 square meters mainly manufactures agricultural and construction equipment, axles and transmission systems. Our driveline manufacturing plant is equipped with machining facilities, assembly facilities and painting facilities, supported by technologies such as casting machining, assembly, prototyping, testing and painting. Our driveline manufacturing plant holds the ISO 9001:2015 quality management system accreditation and the ISO 14001:2015 environmental management system accreditation, and its quality has been recognized by our customers.

The following table sets forth the production capabilities of our driveline manufacturing plant in the six months ended September 30, 2024 and 2023 and the past three Fiscals:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of axles produced [(1)]	42,144	36,223	68,961	74,342	72,654
Number of transmission systems produced [(1)]	19,635	27,091	46,579	47,055	47,129
Number of other components produced (loose trumpet and loose drop box) [(1)]	8,112	11,853	14,066	10,772	11,503
Capacity utilization (%) [(2)]	76.83%	88.84%	81.07%	80.20%	82.27%

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Notes:

(1) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.

(2) As all products vary significantly in terms of value addition, cost, weight, input resources etc., the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where, production is drastically reduced due to fewer customer orders, no weightage is given.

For further details, see *"***– *Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization****"* on page 223.

Gears Manufacturing Plant

Our gears manufacturing plant of 78,000 square meters mainly manufactures various types of gears and gear shafts for captive consumption and third-party customers. Our gears manufacturing plant is equipped with soft machining facilities, heat treatment facilities and hard machining facilities, supported by technologies such as gears machining and heat treatment (carburizing, induction, hardening and nitriding) technologies. Our gears manufacturing plant holds the ISO 9001:2015 quality management system accreditation and the International Automotive Task Force 16949:2016 quality management system accreditation.

The following table sets forth the production capabilities of our gears manufacturing plant in the six months ended September 30, 2024 and 2023 and the past three Fiscals:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of gears, shafts, ring gears and other related components produced [(1)]	903,999	969,498	1,618,845	1,676,707	1,525,468
Capacity utilization (%) [(2)]	71.42%	89.77%	89.94%	93.15%	84.75%

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Note:

(1) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.

(2) As all products vary significantly in terms of value addition, cost, weight, input resources etc., the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where, production is drastically reduced due to fewer customer orders, no weightage is given.

For further details, see *"***– *Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization****"* on page 223.

Our manufacturing plants are equipped with technologies including the casting machining, assembly, prototyping, testing and painting in our driveline manufacturing plant and the gears machining, heat treatment (carburizing, induction, hardening and nitriding) technologies. The technologies employed in our manufacturing plants enable captive consumption in our production, such that goods manufactured by one unit can be consumed by another unit within our manufacturing plants, which in turn reduces lead time in our manufacturing process and enhances our scalability in catering to customers' demands. For further details in relation to capacity and capacity utilization of our manufacturing plants, see *"***– *Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization***" on page 223.

In the past three Fiscals and up to the date of this Red Herring Prospectus, we have not experienced any product recalls and the percentage of overall rejection for our products is low at 0.01% for each of the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022. We offer standard warranties to our customers, for a period until the earlier of (i) the 18th month from date of delivery or notification of availability for delivery, (ii) 1,500 operation hours of the end-product in which our product is incorporated or (iii) 12 months from the first registration date of the end-product in which our product is incorporated or first entry into service (if registration is not applicable). For further details in relation to after sales services, see "***– Description of our Business and Operations – Our After-sale Services***" on page 218.

Stable and experienced senior management team with strong industry knowledge and proven track record of growing the business and achieving margin optimization

We have a stable management team, consisting of our Key Managerial Personnel and Senior Management, which has been with our Company for an average of more than 11.3 years. Our management team has diversified experience in business, manufacturing, supply chain and financial management. Tomaso Carraro, our Vice President and Non-Executive Director, has been with the Carraro Group since 1994 and has been fundamental in shaping the business and strategic market position of our Company today. Balaji Gopalan, our Managing Director, has been with the Carraro Group since 1998 and has experience in managing our Company's human resources department before becoming our managing director. Davide Grossi was appointed as our Whole-time Director and Chief Financial Officer in August 2024 and has experience in financial sector in another manufacturing company. Sudhendra Mannikar, our Chief Operating Officer, has been with the Carraro Group since 1999. For further details, see "***Our Management***" on page 253.

During their tenure in the Carraro Group, our management team has accumulated extensive industry knowledge and has demonstrated its ability to drive business growth and continuous margin expansion. This is demonstrated in the Carraro Group's proven track record of expanding the Carraro Group's product portfolio and proprietary innovations, increasing sales growth in emerging and developed markets and achieving sustainable margin expansion. Our management team has led our ongoing cost optimization initiatives including:

- **Localization of supply chain**: Endeavoring to procure the majority of parts and materials from suppliers based in India and in close proximity to our manufacturing plants while ensuring that we maintain consistency in quality by only selecting suppliers which meet our QCDD criteria. As a result, our dependency on imports is reduced, thereby decreasing logistic costs and applicable import duty. For example, we have localized brake discs and clutch from Italy to India, which contributed to the decrease in our cost of materials consumed as a percentage of revenue from operations from 76.18% in Fiscal 2022 to 74.75% in Fiscal 2024 and from 76.58% in the six months ended September 30, 2023 to 72.66% in the six months ended September 30, 2024;

- **Volume-based negotiation**: Continuously monitoring our procurement contracts to evaluate further negotiation opportunities based on larger purchase volumes, in order to further optimize costs through favorable pricing and terms;

- **Focus on higher-margin products**: Optimizing our margin profile by increasing sales of high-tech products (T100, T135);

- **Investment in technology and infrastructur**e: Investing in modernizing facilities, automating processes and adopting advanced manufacturing technologies to enhance production efficiency;

- **Process optimization**: Streamlining operations and improving workflows with the aim to reduce waste and improve productivity. For example, we have worked on a value engineering project where in cut gears were replaced with net forged gears, which contributed to the decrease in our cost of materials consumed as a percentage of revenue from operations from 76.18% in Fiscal 2022 to 74.75% in Fiscal 2024 and from 76.58% in the six months ended September 30, 2023 to 72.66% in the six months ended September 30, 2024;

- **Quality improvement**s: Investing in quality control with the aim to reduce defects and re-work, which has resulted in a reduction of our warranty costs;

- **Intellectual property**: On October 1, 2023, Carraro S.p.A. transferred the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company and entered into an engineering service agreement with our Company to provide engineering support services on the maintenance of products and child parts to support our development needs. See "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***" on pages 249 and 250, respectively, for further details. This has resulted in a decrease in royalties paid to the Carraro Group from ₹ 407.50 million in Fiscal 2022 to ₹ 256.00 million in Fiscal 2024 and from ₹ 222.45 million in the six months ended September 30, 2023 to ₹ 44.52 million in the six months ended September 30, 2024, representing a decrease from 2.72% of our revenue from operations in Fiscal 2022 to 1.43% of our revenue from operations in Fiscal 2024 and from 2.31% of our revenue from operations in the six months ended September 30, 2023 to 0.49% of our revenue from operations in the six months ended September 30, 2024. Going forward, this will allow us to scale sales volume and margin benefits and maintain a competitive edge by seizing additional market opportunities by leveraging proprietary products and group level offerings;

- **Enhancing autonomy with targeted regional expansion**: Our Company has embarked on a journey to enhance its autonomy by focusing on acquiring new clients and suppliers in the regional market. This effort is supported by a strong local management team, which in turn has resulted in a reduction in corporate service charges from ₹ 320.09 million in Fiscal 2022 to ₹ 185.78 million in Fiscal 2024 and to ₹ 104.15 million in the six months ended September 30, 2024, representing a decrease from 2.14% of our revenue from operations in Fiscal 2022 to 1.04% of our revenue from operations in Fiscal 2024 and remained relatively stable at 1.08% and 1.14% in the six months ended September 30, 2023 and 2024, respectively; and

- **Inventory management**: Our management has also led our inventory management initiatives which include barcoding all goods in our warehouse from receipt and arrival to final dispatch to enable tracking of goods throughout the process, QR code tracking for materials and equipping our warehouse with "very narrow aisle" to optimize the space vertically. Our supply chain optimization initiatives in aggregate have driven decreases in direct material, variable costs and fixed costs, which in turn have led to growth in our EBITDA at a CAGR of 24.63% from ₹ 828.63 million in Fiscal 2022 to ₹ 1,499.95 million in Fiscal 2024 and from ₹ 661.45 million in the six months ended September 30, 2023 to ₹ 1,010.96 million in the six month, while our EBITDA margin has improved sustainably from 5.45% in Fiscal 2022 to 8.30% in Fiscal 2024 and from 6.81% in the six months ended September 30, 2023 to 10.96% in the six months ended September 30, 2024.

Strategies

We are committed to drive our growth through innovation, cost competitiveness, expanding product lines, optimized operations and strategic market expansion by implementing the following strategies:

Maintain our strong positioning in axles and transmission systems with an aim to secure market position

Our growth strategy is rooted in innovation, operational excellence, and strategic expansion into new and existing markets. We are committed to securing and strengthening our market position by increasing our market share and driving our growth on a sustainable basis.

According to the Markets and Markets Report, as of 2023, our Company is the leading sole supplier in the non-captive segment of the agriculture tractors transmission market and the market leader with a 60-65% share of the non-captive construction vehicle transmission market (see page 177 in "***Industry Overview***"). We are dedicated to maintaining our leadership position in the non-captive segment of drivelines of backhoe loaders, soil compactors, agricultural transmission systems and 4WD axles for agriculture tractors.

With an aim to drive growth on a sustainable basis, we have introduced the "Industrial Design Cost Optimization" function, which works in a cross-functional team approach across the R&D, sourcing, sales and manufacturing and engineering teams to enhance our capability to actively redefine our designs and costs, including reducing our share of imports and implement a meticulous cost and design optimization process.

We plan to increase purchases and procurement from our existing local suppliers and widen our base of local suppliers to lower our production cost, optimize supply chain logistics and minimize transportation lead times, as well as to develop strategic partnership with our suppliers for cost control and maintenance of quality control and assurance standards. We believe our cost-saving initiatives would help us to scale up sales volumes and increase margin benefits, which is instrumental in maintaining our competitive edge.

According to the Markets and Markets Report, the introduction of TREM-IV regulations drives the shift from 2WD tractors to 4WD tractors and the rising demand for higher HP tractors (see page 167 in "***Industry Overview***"). As per Markets and Markets, following the launch of TREM-V, the TREM-V ready tractors will possibly increase the demand for higher HP tractors and the potential to export more tractors to emission regulated countries, which drive the demand for 4WD tractors (see page 153 in "***Industry Overview***"). With optimized designs and costs, we aim to capitalize on the foregoing industry trends and the growing market size of 4WD tractors in India. By offering cost-efficient solutions without compromising on functionality and quality, and with a wider product range, we believe we are well-positioned to significantly expand our market share in the 4WD tractor segment in India and to grow our revenues from existing customers and add revenues from new customers.

Drive our growth through introduction of new products and product application innovation

By leveraging our market knowledge and experience, we intend to focus on introduction of new product and product application to increase our market penetration and thereby drive our growth. Our planned introduction of new product and product innovation includes the following initiatives:

- **Introduction of New Products offerings:** We have expanded our manufacturing plants in Pune, Maharashtra, India to introduce products tailored for both domestic and export markets, including advanced agricultural tractor drivelines (80-150 HP) and a newly launched family of telehandler axles and transmission systems for the construction vehicle sector. As of the date of this Red Herring Prospectus, in view of further developing our products offerings, we are in the process of initiating 16 tractor driveline projects in the agricultural tractors sector (with respect to tractors of 40 HP, 50-90 HP and 90-135 HP) and 11 projects in the construction vehicles sector (with respect to backhoe loaders, telehandlers, soil compactors and wheel loaders).

- **Entry into New Product categories:** We are working on expansion into new segments of self-loading concrete mixer and the telehandler market. As of the date of this Red Herring Prospectus, we have initiated two special projects related to drivelines in mobile-cranes and self-loading concrete mixers. Our competitive edge in these segments is bolstered by cost-effective solutions and a diversified portfolio of axles, which are customized to meet customers' specifications.

- **Product Application Innovation:** To replicate our success in product application innovation of using backhoe loader drivelines in motors grader with less than 100 HP and chassis-based haulage tractors, we intend to leverage our R&D capabilities and also future-ready technologies developed by the Carraro Group to capture new applications for our suite of products and capture new market opportunities.

We believe our innovative products and applications designed to fill market gaps will have high market demand and provide further value addition to our customers, which will result in growing our business and increasing our market penetration in the long run.

Develop future-ready solutions for emerging technologies and potential entry into new market segments

As an innovation-driven tier 1 solution provider of axles and transmission systems, we intend to introduce future-ready technologies in our design and manufacturing concepts and our production line, including advanced product designs or new materials which are compatible with future agricultural tractors and construction vehicles. According to the Markets and Markets Report, the agricultural tractor and construction vehicle sectors are poised for significant growth, driven by emerging market opportunities such as the increasing adoption of electric vehicles and the development of tractor and vehicle engineering solutions with more features and higher technological specifications (see pages 134 and 138 in "***Industry Overview***"). We aim to leverage our capabilities to meet the demand for these products.

In addition to our Company's existing capabilities, we also aim to leverage future-ready technologies developed by the Carraro Group, including THE (Transmission-Hydrostatic-Electric) transmission which is a new agricultural and off-road vehicle transmission which is compatible with both hydrostatic and full electric versions, higher HP transmission for tractors, independent front axle systems, specialized tractor capabilities, and axles for off-road 4x4 grenadier. The key applications of the future-ready technologies that we intend to leverage are:

- **Electric Off-Highway Vehicles:** The Carraro Group has developed future-ready technologies for electric off-highway vehicles, including transmission systems for electric tractors (40-75 HP). The "THE" transmission is a versatile plug and play solution, of which the IP right is owned by Carraro S.p.A.

- **Higher HP Transmission Systems for Tractors:** According to the Markets and Markets Report, there is a rising demand for higher HP tractors due to TREM IV emission norms and the Indian tractor market has experienced a notable shift from the 31-40 HP segment to the 41-50 HP segment over recent years (see page 153 in "***Industry Overview***"). We have drivelines up to 150 HP in our portfolio tractor, with technology options suitable for OEMs in India to expand their product portfolios and suitable for export markets where higher HP tractors are prevalent. With our future-ready technologies, we aim to cater to the emerging technological requirements in the Indian agricultural market in the long run.

Enhance and expand our production capabilities in India

To meet diverse market demands, we aim to enhance production capabilities of our manufacturing plants in Pune, Maharashtra, India. We aim to continue to leverage the full-range production capabilities in our manufacturing plants, which range from mechanical gear shifts to semi-power shift and full-power shift capabilities, our infrastructure of the drivelines manufacturing plant occupying plot area of approximately 84,000 square meters and the gears manufacturing plant occupying plot area of approximately 78,000 square meters, with free space of approximately 38,000 square meters for potential expansion in the future and the requisite technology and our manufacturing processes in place. With the objective of supporting the increase in our long-term production efficiency, we have started to, and intend to continue to, digitalize our production flow and generate a visual shop flow for easier tracking and quality assurance. This will allow us to switch from the current decentralized production flow of having reports generated at different parts of the production to an integrated digitalized production flow with tracking and reports generated in a centralized system in real-time.

In addition, we intend to expand our driveline and gears manufacturing plants, including expanding the driveline manufacturing plant by building a warehouse shed and a finished goods warehouse in the vacant plot of approximately 5,100 square meters. We intend to expand with a high level of automation by using robotics and autonomous vehicles for internal logistics, and a focus on reducing carbon balance as part of our sustainable manufacturing philosophy.

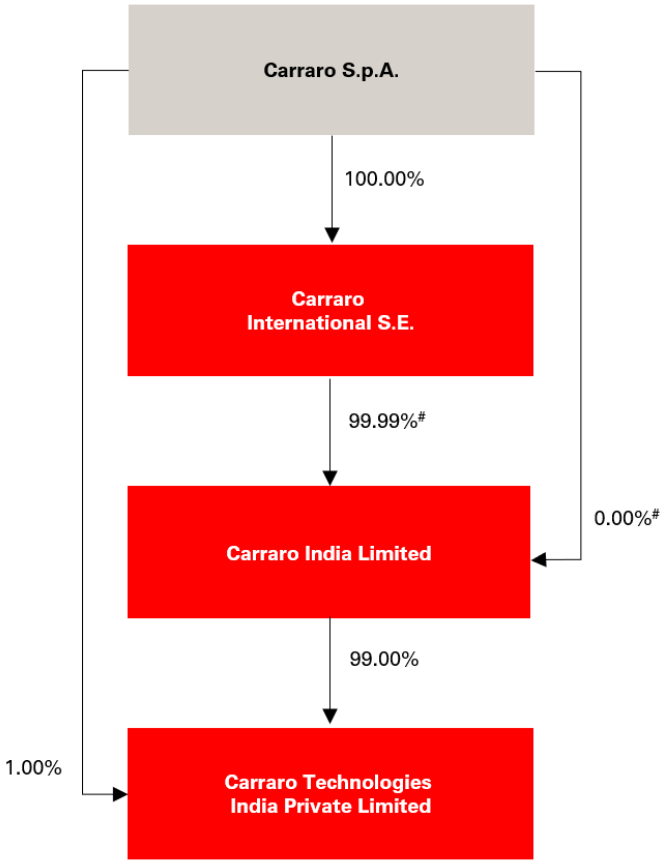
Increase share of localization and further improving efficiencies of our supply chain

We regularly review our supply chain from a strategic perspective and we endeavor to further localize our supplier base, which provides the two-fold benefit of (i) reducing reliance on imports to lower our production cost, optimizing supply chain logistics and minimizing transportation lead times and (ii) expanding our supplier base by selecting suppliers based on cost management and risk mitigation. 74.42% and 25.58% of our cost of materials consumed in the six months ended September 30, 2024 and 73.18% and 26.82% of our cost of materials consumed in Fiscal 2024 were attributable to domestic suppliers and imports, respectively. We plan to increase purchases and procurements from our existing local suppliers, widen our local supplier base and develop strategic partnerships with our suppliers. These initiatives allow us to benefit from a broader supplier base and to optimize cost and efficiency, while maintaining quality control and assurance standards. For further details of our supplier sourcing strategies and quality assurance, see "**– *Procurement and Raw Materials***" on page 226.

We also intend to vertically integrate within the value chain by manufacturing selected key components of gearboxes in our own manufacturing plants. Our target is to select key components that are critical to our axles and transmission systems or gears for captive consumption. We believe our continuous investment in automation would allow us to further augment our supply chain operations.

Our Corporate Structure

The following chart shows the corporate structure of our Company as of the date of this Red Herring Prospectus:



Note:
*# 99.99% and 0.01% of Equity Shares of our Company is held by Carraro International S.E. and Siap S.p.A., respectively. The Equity Shares held by Carraro International S.E. include 1 Equity Share each jointly held with Tomaso Carraro, Enrico Carraro, Enrico Gomiero and Davide Grossi, respectively, Carraro International S.E. being the first holder. 1 Equity Share of our Company is held by Carraro S.p.A., which is a negligible percentage. For further details, see "**Capital Structure**" beginning on page 93.*

Our Company is subsidiary of Carraro International SE, which is wholly owned by Carraro S.p.A., the parent company of the Carraro Group. The Carraro Group designs and manufactures special tractors (for vineyards and orchards from 60 to 100 HP) for third-party brands. Carraro S.p.A. also provides services related to the Carraro Group companies' strategic guidance, control and coordination. Within the Carraro Group, our Company belongs to the driveline business area, which is led by Carraro Drive Tech Italia S.p.A.

Description of Our Business and Operations

We manufacture and sell axles and transmission systems for off-highway vehicles for agricultural tractors, construction vehicles and other high value markets such as industrial and automotive markets. We provide product design services through our subsidiary, CTIPL. We also provide after sale services and supply spare parts mainly to our Indian customers.

Our Products

We provide a diverse range of products including axles and transmission systems of different HP ranges for off-highway vehicles in the agricultural tractor and construction vehicle sectors, as well as gears, shafts and ring gears for industrial and automotive vehicles.

The following table sets forth our revenue by product sector, for the periods indicated:

Particulars	For six months ended September 30,		As at/ for Fiscal ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
Revenue by product sector	9,027.87	9,458.87	17,611.93	16,857.21	14,743.27
– Agricultural Tractor	4,250.34	4,263.90	7,933.86	8,323.09	7,459.03
– Construction Vehicle	3,576.03	3,965.72	7,271.77	6,477.44	5,325.70
– Others	1,201.50	1,229.25	2,406.30	2,056.68	1,958.54

Transmission Systems

Our transmission systems in the agricultural tractor sector and the construction vehicle sector are in the range of 35 HP to 150 HP and up to 125 HP, respectively.

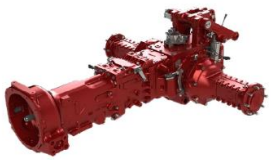
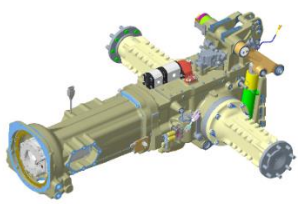
Agricultural Tractors

Our key transmission systems for the agricultural tractor sector are divided into two categories: transmission systems with less than 50 HP and transmission systems with more than 50 HP.

We sell our transmission systems for agricultural tractors sector in India and international markets, include direct exports to the European Union and exports to the other international markets through transactions with the Carraro Group. Our key customers include Mahindra and Mahindra, TAFE, International Tractors Limited, Escorts Kubota Limited, CNH, Action Construction Limited, John Deere India Private Limited, Kartar Agro and Preet Tractors. We also sell our products within the Carraro Group.

The following table sets forth our transmission systems for agricultural tractors sector along with their description and main features as at September 30, 2024:

Product	Description	Main Features
T40 	T40 transmission system is a lightweight and reliable unit developed for tractors up to 42 HP. This system is ideal for paddy field use, with a speed distribution that allows optimal use of implements. This system is equipped with independent power take-off ("**PTO**") control, and is ideal for applications with mold board plough, rotavator, cultivator, trailer for haulage, planter balers, rotary cultivators and sprayers.	• Available in 2 mechanical configurations: – 8 Forward and + 2 Reverse speeds – 8 Forward + 8 Reverse speeds • Waterproof sealing for "rice puddling" application • 11kN capacity hydraulic rear lift • 540 and 540/540E PTO speed
T50 	T50 transmission system is a lightweight unit for utility and standard type of tractors up to 50 HP. This system is ideal for paddy field use and is available in several versions from the basic collar shift to the fully synchronized version, with multiple speed configurations and an independent PTO control to ensure maximum productivity using a wide range of implementations such as plough, rotavator, cultivator, trailer for haulage, planter balers, rotary cultivators and sprayers.	• Available in 3 mechanical configurations: – 8 Forward and + 2 Reverse speeds – 8 Forward + 8 Reverse speeds – 16 Forwards + 16 Reverse speeds • Waterproof sealing for "rice puddling" application • 11kN capacity hydraulic rear lift • Front 4WD Axle output

Product	Description	Main Features
T75/T100 	T75 transmission system is a compact and versatile unit, designed for specialty (vineyard, orchard), utility and standard type of tractors from 50-100 HP and is available in several versions, multiple speed configurations, from the basic synchronized version to the powershift version controlled by TEQ2 Carraro Electronic Control Unit ("**ECU**").	• Available in 3 versions: – Mechanical: up to 24 Forward and + 24 Reverse speeds – Basic Power reverse with 24 Forward + 24 Reverse speeds – Power high low and power shuttle Shift: up to 24 Forwards + 24 Reverse speeds • Versions available: Extra Narrow (vineyard), Narrow (orchard), Standard (Utility/Standard) • 26kN capacity hydraulic rear lift • Diagnostics coverage and advanced electronic management strategy
T100 CVT 	The continuously variable transmission ("**CVT**") family, which is currently under development, aims to increase productivity and it is interchangeable with other transmission systems produced by us with the same power rating, up to 118 HP. T100 CVT transmission system is a powersplit module integrated in a proper mechanical architecture. The CVT transmission systems allow continuously variable speed and torque variation with the lowest power losses.	• CVT Powersplit fully electronic controlled, with speed from 0.25 (with Creeper) to 50 km/h (40 km/h eco speed) • Versions available: Extra Narrow (vineyard), Narrow (orchard), Standard (utility/standard) • 30 kN capacity hydraulic rear lift electronically controlled • Diagnostics coverage and advanced electronic management strategy
T100 Evo HD 	T100 Evo transmission system is a compact and versatile unit, developed for specialty (vineyard – orchard), utility and standard tractors, up to 120 HP. It is available in several versions, from the synchronized version to the CVT controlled by TEQ2 Carraro ECU. The stepped versions have an improved number of speeds up to 30 forward and 30 reverse to ensure optimal productivity and reduced fuel efficiency.	• Available in two versions: – Mechanical: up to 30 Reverse and + 30 Reverse speeds – Power Shift: up to 30 Reverse + 15 Reverse speeds • Versions available: Extra Narrow (vineyard), Narrow (orchard), Standard (Utility/Standard) • Up to 36kN capacity hydraulic capacity rear lift • Command cable and 4WD diagnostics and advanced electronic management strategy among the options
T135 	T135 transmission system is produced since 2023 and is designed for open field tractors, utility tractors and specialty tractors up to 150 HP. It is available in two versions, synchronized and powershift controlled by TEQ2 Carraro ECU. It has 36 forward and 36 reverse speeds, which allows to achieve the best performances and efficiency, with more than twelve speeds in the main working range (4-12km/h).	• Available in 2 versions: – Mechanical: up to 36 Forward and + 36 Reverse speeds – Power Shift: up to 36 Forward + 18 Reverse speeds • Integrated 45 kN hydraulic rear lift capacity, electronically controlled • 4WD axle output: – Easy-shift System – Multidisc Wet Clutch • Diagnostic coverage and advanced electronic management strategy
eT50/eT75 	The newly developed full electric solution has been designed for environment-friendly and sustainable full electric tractors, with zero CO2 emissions. We are capable of providing a complete system from the driveline to vehicle skid, from the power electronics to tractor workplace. The electric motors are embedded on the Transaxle design offering compactness under bonnet. With proprietary hardware and software to maximize performances and productivity, it's designed for specialty (vineyard,	• 2 speed transmission, low noise • Smart integrated hydraulics management, to maximize efficiency of the whole system and tractor autonomy • Traction e-motor and PTO and hydraulics e-motors embedded • Hydraulics differential lock, 4WD disconnect

Product	Description	Main Features
	orchard) and utility tractors from 50 to 75 HP.	

Construction Vehicles

Our key transmission systems for construction vehicles sector include TCB80 2WD & 4WD, TCB80SPS (servo power shift) and Hydrostatic (infinitely variable).

We sell our transmission systems for the construction vehicles sector in India and international markets, include direct exports to the European Union and exports to the other international markets through Carraro Group. Our key customers include Bull Machines, CNH, Mahindra and Mahindra, Escorts Kubota Limited, Action Construction Limited, Volvo, Tata Hitachi, Terex, Liugong, Doosan Bobcat, KION, Dynapac, Manitou Equipment and John Deere India Private Limited.

The following table sets forth our transmission systems for construction vehicles sector along with their description and main features as at September 30, 2024:

Product	Description	Main Features
TCB80-2WD & 4WD 	*Torque convertor-based transmission system is ideal for backhoe loader, tele boom handler, small wheel loader, motor grader rough terrane crane, and material handling cranes.*	• Up to 110 HP • Speeds shifts in synchronizer 4 Forward + 4 Reverse speeds • Optional 2 x 2 speeds (for fork lift) • Reverse: Power shift • Parking Brake - Spring applied hydraulically released brakes ("**SAHR**") Wet Discs - Manual Wet Discs • Co-axial for equal wheel equipment

Product	Description	Main Features
TCB80SPS 2wd & 4wd 	*This transmission system has servo power synchro (SPS) with full electronic or electro-hydraulic control.* *This transmission system is smooth, precise, and reliable response even under severe working conditions granted and ideal for backhoe loader, tele boom handler, small wheel loader, rough terrane crane, motor grader and material handling cranes.*	• Up to 110 HP • Servo power speeds shifts (4 Forward + 4 Reverse) • Reverse: Power shift • Parking Brake: - SAHR Wet Discs - Manual Wet Discs • Co-axial for equal wheel equipment
TCB90 PS 	*This transmission system provides smooth, precise, and reliable response even under severe working conditions granted and ideal for backhoe loader, tele boom handler, small wheel loader, rough terrane crane, motor grader and material handling cranes*	• Up to 120 HP • Power shuttle and 4 or 6-speed powershift • Coaxial for equal wheel equipment • Parking brake – SAHR/Manual • Central and side drive configurations: full electronic or electro-hydraulic control.
Hydrostatic (Infinitely Variable) 	*Hydrostatic transmission system has a complete range from compact dropbox to fully electronically controlled solutions, and suitable for hydro motor up to 255cc/rev.* *Following transmission models are available:* • *TB135C/TB172C* • *TB172/2C Stop&Go* • *TB172/2C shift on fly with electronic control unit*	• Single speed • Two speed synchro shift (stop and go) • Drop options 135/172 • Two speeds with electronic control (shift on the go)
"THE" transmission[2] 	THE Solution transmission system is a new range of interchangeable transmissions for hydrostatic and electric applications. THE Solution transmission systems has a proprietary synchronized and powershift architecture.	• Vehicle operating weight 4 to 13 ton which is suitable for backhoe loader, wheel loader, telehandler, etc. • THE260/2 Synchro which allows hydrodynamic and electric plug and play transmission, with 2 speeds shifting by synchronizer • THE260/2 PS to enable power shift • Motor size up to 160 Cc/Rev • SAHR spring applied for the hydraulic release parking brake or calliper parking brake • Speed Shifting: - Stop & go /Shift on fly

Axles

We manufacture a wide range of axles including steering axles, portal axles and rigid axles, mainly for agricultural tractors and construction vehicles sectors, as well as the others sector.

Agricultural Tractors

Our key axles products for agricultural tractors sector are divided into two sub-sectors, namely axles with less than 50 HP and axles with more than 50 HP.

We sell our axles for agricultural tractors sector in India and Europe. Our key customers include Mahindra and Mahindra, TAFE, International Tractors Limited, Escorts Kubota Limited, CNH, Action Construction Limited, John Deere India Private Limited, Kartar Agro and Preet Tractors in the agricultural tractors.

[2] Product is currently in testing and validation.

The following table sets forth our axles for agricultural tractors sector along with their description and main features as at September 30, 2024:

Product	Description	Main Features
Portal Axles –Dry & Wetland Paddy Application 	*This portal axle type is designed for tractors from 30 to 50 HP for dry and paddy field applications.*	• Portal Drop – 75 mm • Flange to Flange – 1,350 mm • Dynamic load capacity – up to 15,000 nm • Dynamic peak torque wheels – 7,000 nm • Differential – open / limited slip
Portal Axles – Dry & Wetland Paddy Application 50-75 HP 	*This portal axle type is designed for tractors from 50 to 75 HP for dry and paddy field applications.*	• Portal Drop – 75 mm • Flange to Flange – 1,350 mm / 1,450 mm • Dynamic load capacity – up to 15,000 nm • Dynamic peak torque wheels – 7,000 nm • Differential – open / limited slip
Planetary Axles – Utility Tractors 49 –135 HP 	*The planetary axles type is designed for utility tractors from 49 to 135 HP for dry and wetland field applications in vineyard, orchard, specialty tractors, open field tractors.*	• Flange to Flange – from 890 – 1,640 mm • Dynamic load capacity – up to 45,000 nm • Dynamic peak torque wheels – up to 18,000 nm

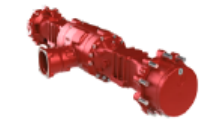
Construction Vehicles

Our key axles products for the construction vehicles sector include Steering Axle 1-9.5 T UVW, Rigid Axle 1-9.5 T UVW and Rigid Hypoid Axle 5-17 T UVW.

We sell our axles for construction vehicles sector only in India. Our key customers include Bull Machines, CNH, Mahindra and Mahindra, Escorts Kubota Limited, Action Construction Limited, Volvo, Tata Hitachi, Terex, Liugong, Doosan Bobcat, KION, Dynapac, Manitou Equipment and John Deere India Private Limited.

Each of our axle models is available with several reduction ratios, multiple widths and various vehicle mounting interfaces. The following table sets forth our axles for the construction vehicles sector along with their description and main features as at September 30, 2024:

Product	Description	Main Features
Steering Axle 1-9.5 T UVW 	Steering axles enable a tight steering radius, while ensuring precise handling, high maneuverability, and minimum tire wear. This product is used for construction vehicles such as backhoe loader, tele boom handler, compact and small wheel loader, rough terrane crane, motor grader and material handling cranes.	• Modular and monolithic design • Flange to Flange –from 1,165 – 2,050 mm • Dynamic load capacity – up to 130,000 nm • Dynamic peak torque wheels – up to 50,000 nm
Rigid Axle 1-9.5 T UVW 	High load capacity and robust gear design of rigid axle ensure extended durability. This product is used for construction vehicles such as backhoe loader, tele boom handler, compact and small wheel loader, rough terrane crane, motor grader and material handling cranes.	• Modular design for flexibility of vehicle integration • Flange to Flange – from 1,270 – 1,980 mm • Dynamic load capacity – up to 150,000 nm • Dynamic peak torque wheels – up to 57,000 nm

Product	Description	Main Features
Rigid Hypoid Axle 5-17 T UVW 	High load capacity and robust gear design of rigid hypoid axle ensure extended durability. This product is used for construction vehicles such as soil compactor equipment.	• Modular design for flexibility of vehicle integration • Flange to Flange – from 1,100 – 1,746 mm • Dynamic load capacity – up to 110,000 nm • Dynamic peak torque wheels – up to 50,000 nm

Gears

We manufacture ring gears, gears and shafts for industrial and automotive markets. We sell our gears in India and international markets, including Europe, mainly in Italy, as well as in United States. Our key customers include CNH Industrial. We also sell our products within the Carraro Group.

The following sets forth our gears as at September 30, 2024:

Product	Description	Main Features
Ring Gears 	*Our ring gears are produced through the broaching, shaping, case hardening, nitriding and quench hardening processes. The ring gears offered in different specifications including sizes, modules, types of hardening, tooth finishings, and outer or internal cuttings.*	• Broached ring gears with a minimum diameter of 20 mm and a maximum diameter of 300 mm, and a maximum module of 5 mm. • Shaped ring gears with a minimum diameter of 50 mm and a maximum diameter of 450 mm, and a maximum module of 6 mm. • Ring gears hardened by case hardening with a maximum diameter of 450 mm. • Ring gears hardened by nitriding with a maximum diameter of 300 mm. • Ring gears hardened by quench hardening with a maximum 450 mm.
Gears & Shafts 	*Our gears and shafts are produced through hobbing, shaving and grinding processes, and are offered in different specifications, including sizes, modules, types of hardening, tooth finishings, and outer or internal cuttings.*	• Gears with hobbing cutting with a diameter of 20 mm to 500 mm and module from 1.5 mm to 12 mm. • Shaved gears with a diameter of 35 mm to 300 mm and module from 1.5 mm to 5 mm. • Grounded gears with a diameter of 35 mm to 500 mm and module from 1.5 mm to 12 mm.

Spare Parts and Others

As a value addition, we manage and distribute (through distributors or authorized dealers) spare parts to our Indian customers with the aim to ensure the long-term performance of our products as well as the efficiency and reliability of our products. The spare parts we supply are primarily loose components of agricultural tractors and construction vehicles, such as gears, seals, casting parts, hydraulic parts, lubricants, oil filters for transmission systems and engines, electrical components. We also supply other products such as oil which is approved for replacement on regular service intervals of transmission and axles fitted on vehicles. With over 40 customers using our spare parts, the supply of spare parts is a major resource for us in servicing and retaining our customers.

Our After-sale Services

Our customers are entitled to after-sale services from us, which include training trainers of the OEMs, and replacement of parts during the warranty period. We have a dedicated team of five employees in our Quality and After-sales team to provide training to trainers of the OEMs.

Our after-sales services network in India includes distributors or authorized dealers that sell our spare parts. Our Company supports the OEM after-sales network under the "train the trainer" program in which we provide training to trainers in our OEM customers' after-market services team on documentation and solutions for repair and maintenance issues.

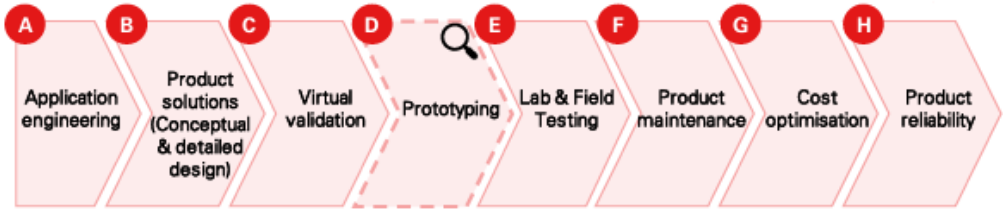
Warranty

We offer standard warranties to our customers, for a period until the earlier of (i) the 18th month from date of delivery or notification of availability for delivery, (ii) 1,500 operation hours of the end-product in which our product is incorporated or (iii) 12 months from the first registration date of the end-product in which our product is incorporated or first entry into service (if registration is not applicable). Our standard warranties may be extended at a fee separately agreed with our customers.

Product Design, Research and Development

CTIPL was established in 2006 and focused on R&D of axles, transmission systems and other components of agricultural tractors and construction vehicles as an engineering service provider to Carraro S.p.A.'s global R&D center. In June 2024, we completed our acquisition of CTIPL, after which CTIPL has become our Subsidiary. For further details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years – Acquisition of Carraro Technologies India Private Limited***" on page 248. As a result of the acquisition, we acquired the R&D center in Pune, Maharashtra, India and the R&D team of CTIPL. Our acquisition of CTIPL has enabled us to further strengthen our R&D offering. As of September 30, 2024, the R&D team of CTIPL had 56 employees comprising of mostly qualified engineers.

The R&D center of CTIPL focuses on conceptual and detailed product designs and the virtual validation, prototyping, lab and field testing, product maintenance and other R&D activities. Below chart shows the key activities undertaken in the R&D center:



The R&D team also focuses on R&D of new application of our existing products in order to adapt to changing Indian market needs and is in charge of designing and projecting new products needed in the Indian market. We endeavor to research and develop future-ready product innovations such as advanced product designs or new materials which are compatible with future agricultural tractors and construction vehicles and can be integrated in future technologies to enable us to keep pace with market development.

Over the years, the R&D team of CTIPL has supported the R&D team of the Carraro Group to launch the following products of the Carraro Group:

- Launch of 120 HP tractor transmission in 2013;
- Launch of the 20.09/20.14/20.16 series of planetary axle customized for local market applicable for tractor up to 90 HP;
- Launch of steering axle applicable for 4-WD vehicle in 2016;
- Launch of SCOM axle with hypoid design, which replaced the old design of SCOM axle with improved product life cycle) in 2019;
- Launch of the 40.16 series of planetary axle in 2022 with enlarged usage of axle in tractor market application such as loaders or harvesters, as compared to the 20.16 series; and
- Launch of AG Evo transmission in 2022, which caters to higher HP range at 100-150 HP and higher technology level with wet clutches in power take-offs (PTO).

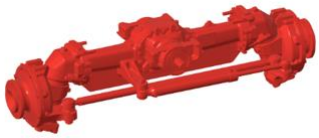
The following table sets forth R&D capabilities and achievements of our Company and CTIPL as of and for the six months ended September 30, 2024 and 2023 and Fiscals ended March 31, 2024, 2023 and 2022:

Particulars	As of and for six months ended September 30,		As of and for Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of R&D employees of CTIPL	56	57	57	50	58
Number of new prototypes developed by our Company	1	12	20	4	5
Number of prototypes brought into production by our Company	7	3	7	4	1

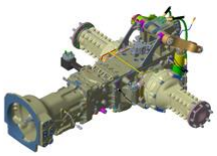
The following are prototypes introduced by the Carraro Group, supported by CTIPL as a service provider to relevant IP owner within the Carraro Group, since 2021:



40.16 Axle



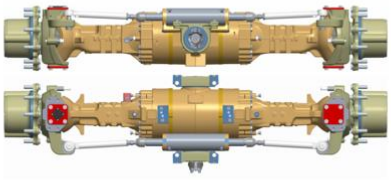
20.10P Portal Axles



T100 EVO HD Range



T135



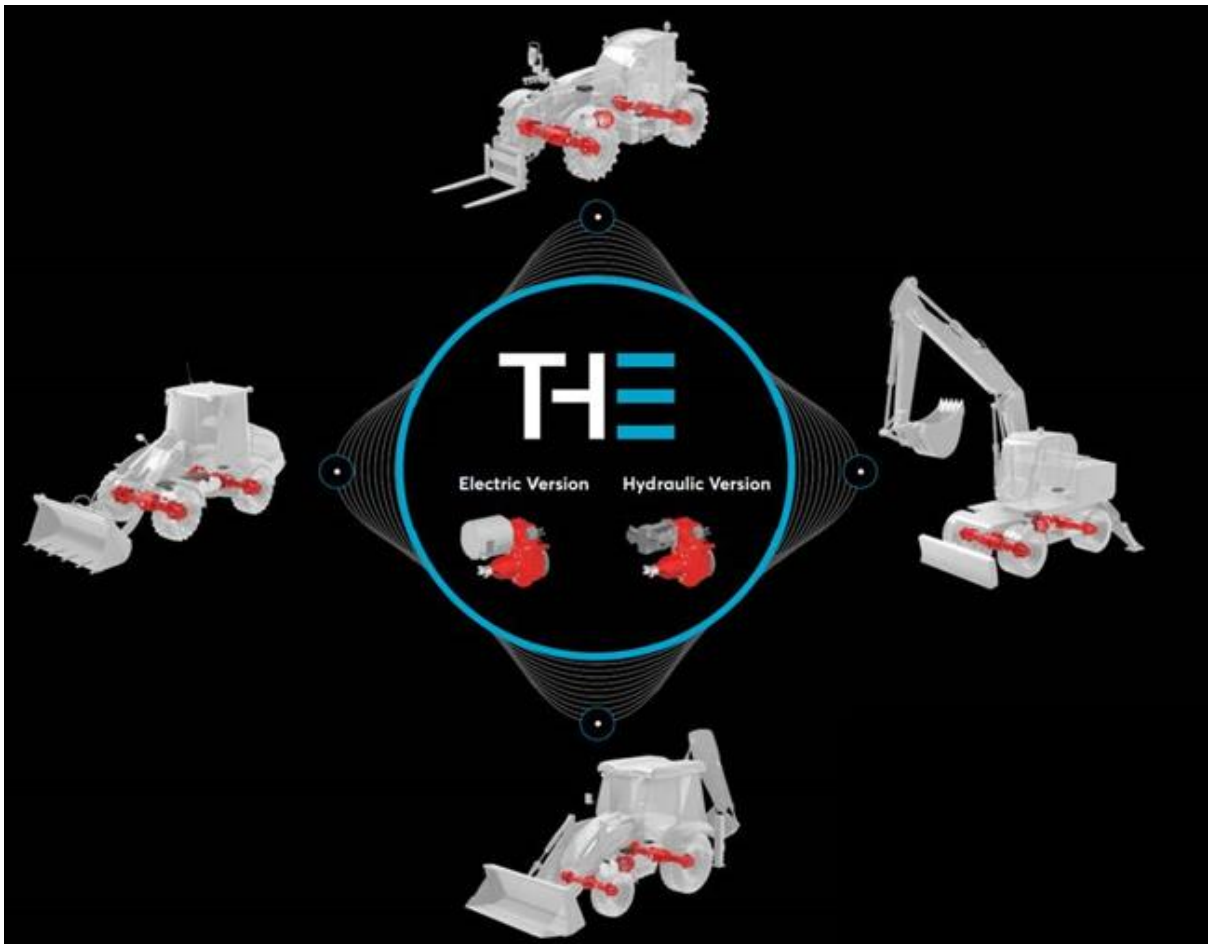
TBH axles 46.XX series

Notes:

*(1) The IP rights of 40.16 axle and the exclusive rights to manufacture and sell such product globally have been transferred to us pursuant to the IP assignment agreement dated October 1, 2023 between Carraro S.p.A. and our Company. Carraro S.p.A. also entered into an engineering service agreement dated October 1, 2023 with our Company to provide us with engineering support services on the maintenance of products and child parts to support our development needs. See "**History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A.("IP Assignment Agreement")**" and "**History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")**" on pages 249 and 250, respectively, for further details.*

(2) The IP rights of 20.10P Portal Axles, T100 EVO HD Range, T135 and TBH axles 46.XX series are owned by other entities in the Carraro Group (excluding our Company).

The R&D center of CTIPL holds the ISO 9001:2015 quality management system accreditation. Our Company and CTIPL maintain close connections with the global network of R&D centers owned by the Carraro Group, with which we and CTIPL collaborate on product design and development. For example, the R&D center of CTIPL has provided engineering services to the Carraro Group's Luxembourg R&D center and a customer in developing E-trans, a new agricultural and off-road transmission which is compatible with both hydrostatic and full electric versions and will be manufactured in our manufacturing plants in India:



This project enabled us to internalize and develop specific technical competences on electric projects, as well as position ourselves as an innovative player in the space with potential for collaboration in product development.

Manufacturing

Manufacturing Plants

We own and operate two manufacturing plants in Pune, Maharashtra, India, which are the driveline manufacturing plant occupying plot area of approximately 84,000 square meters and the gears manufacturing plant occupying plot area of approximately 78,000 square meters. The manufacturing plants are equipped with our technologies, including the casting machining, assembly, prototyping, testing and painting in our driveline manufacturing plant and the gears machining, heat treatment (carburizing, induction, hardening and nitriding) technologies in gears manufacturing plant.

Driveline Manufacturing Plant

We commenced operations at our driveline manufacturing plant in 1999. We manufacture agricultural and construction equipment, axles and transmission systems at our driveline manufacturing plant. Our driveline manufacturing plant is equipped with machining facilities, assembly facilities and painting facilities, supported by technologies such as casting machining, assembly, prototyping, testing and painting. Our driveline manufacturing plant holds the ISO 9001:2015 quality management system accreditation and the ISO 14001:2015 environmental management system accreditation, and its quality has been recognized by our customers.

The following are photos of our driveline manufacturing plant:





The following table sets forth the production volume in our driveline manufacturing plant in the periods and years indicated:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of axles produced [(1)]	42,144	36,223	68,961	74,342	72,654
Number of transmission systems produced [(1)]	19,635	27,091	46,579	47,055	47,129

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Note:
(1) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.

For further details, see *"***– *Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization****"* on page 223.

Our driveline manufacturing plant occupies a plot area of approximately 84,000 square meters, with approximately 1,000 square meters allocated to the warehouse and approximately 1,800 square meters allocated to portal assembly line. We are planning to expand the driveline manufacturing plant by building a warehouse shed and a finished goods warehouse in the vacant plot of approximately 5,100 square meters. For further details, see "***– Strategies – Enhance and expand our production capabilities in India***" on page 211.

Our driveline manufacturing plant utilizes technologies such as casting machining, assembly, prototyping, testing and painting. These technologies help us ensure a seamless manufacturing process with high-caliber quality standards and productivity.

Gears Manufacturing Plant

We commenced operations at our gears manufacturing plant in 2005. We manufacture various types of gears and gear shafts for captive consumption and third-party customers at our gears manufacturing plant. Our gears manufacturing plant is equipped with soft machining facilities, heat treatment facilities and hard machining facilities, supported by technologies such as gears machining and heat treatment (carburizing, induction, hardening and nitriding) technologies. Our gears manufacturing plant holds the ISO 9001:2015 quality management system accreditation and the International Automotive Task Force 16949:2016 quality management system accreditation. The following table sets forth the production volume in our gears manufacturing plant in the periods and years indicated:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of gears, shafts, ring gears and other related components produced [(1)]	903,999	969,498	1,618,845	1,676,707	1,525,468

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Note:
(1) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.

For further details, see "***– Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization***" on page 223.

The following are photos of our gears manufacturing plant:





Our gears manufacturing plant occupies a plot area of approximately 78,000 square meters, with approximately 1,486 square meters and 1,579 square meters allocated to the manufacturing shop and the heat treatment shop, respectively, with future plans of expansion.

Our gears manufacturing plant utilizes technologies such as gears machining and heat treatment (carburizing, induction, hardening and nitriding) technologies. These technologies are used to produce gears inside the factory to support usage for captive consumption and also cater to the third-party demand. Making gears in the same premises reduce the lead time and brings in flexibility to cater to the customer demand of transmissions and axles.

Capacity and Capacity Utilization

The following table sets forth the installed production capacity of our manufacturing plants and the capacity utilization for the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022:

Facility	Products	Unit of measurement	For six months ended September 30,						Fiscal 2024			Fiscal 2023			Fiscal 2022		
			2024 ***			2023 ****											
			Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%) (4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%) (4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%) (4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%)(4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%)(4) (6)
Driveline Manufacturing Plant	4WD Front Axle	Nos.	23,400	20,150	86.11%	23,400	17,036	72.80 %	46,800	32,456	69.35%	46,800	36,813	78.66%	46,800	37,623	80.39%
	K Axle	Nos.	1,000	745	74.50%	1,000	860	86.00 %	2,000	1,602	80.10%	2,000	1,813	90.65%	6,000	1,643	27.38%
	Loose Drop Box	Nos.	3,750	1,726	46.03%	3,750	3,628	96.75 %	7,500	6,123	81.64%	6,000	4,240	70.67%	6,000	4,580	76.33%
	Loose Trumpet	Nos.	4,500	6,386	141.91 %	4,500	8,225	182.78 %	9,000	7,943	88.26%	9,000	6,532	72.58%	9,000	6,923	76.92%
	Rear Axle	Nos.	12,500	9,360	74.88%	12,500	11,275	90.20 %	25,000	20,858	83.43%	22,500	17,211	76.49%	22,500	21,001	93.34%
	Portal Axle	Nos.	10.800	10,251	94.92%	7,000	5,672	81.03 %	14,000	11,747	83.91%	13,000	9,179	70.61%	-*	-*	-*
	T100 Transmission	Nos.	7,000	4,809	68.70%	7,000	6,335	90.79 %	14,000	12,277	87.69%	14,000	12,414	88.67%	15,000	13,349	88.99%
	T120 Transmission	Nos.	750	131	17.47%	750	959	127.87 %	1,500	1,472	98.13%	1,500	1,220	81.33%	1,500	996	66.40%
	T135 Transmission	Nos.	750	340	45.33%	30	10	33.33 %	60	48	80.00%	-^	-^	-^	-^	-^	-^
	TLB Transmission	Nos.	15,000	12,159	81.06%	15,000	15,106	100.71 %	30,000	25,950	86.50%	30,000	24,157	80.52%	24,300	22,302	91.78%
	T40/T50 Transmission	Nos.	7,200	2,196	30.50%	7,200	4,661	64.74 %	14,400	6,832	47.44%	14,400	9,264	64.33%	14,400	10,482	72.79%
	2WD Axle	Nos.	7,200	1,638	22.75%	7,200	1,380	19.17 %	14,400	2,298	15.96%	14,400	9,326	64.76%	14,400	12,387	86.02%
Total capacity utilization for the Driveline Manufacturing Plant (5) (6) (7)					**76.83%**			**88.84%**			**81.07%**			**80.20%**			**82.27%**

Facility	Products	Unit of measurement	For six months ended September 30,						Fiscal 2024			Fiscal 2023			Fiscal 2022		
			2024 ***			2023 ****											
			Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%) (4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%) (4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%) (4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%)(4) (6)	Installed production capacity (1) (2)	Actual production (3)	Capacity utilization (%)(4) (6)
Gear Manufacturing Plant	Gears	Nos.	1,265,686	903,999	71.42%	1,080,000	969,498	89.77 %	1,800,000	1,618,845	89.94%	1,800,000	1,676,707	93.15%	1,800,000	1,525,468	84.75%
Total capacity utilization of the Gear Manufacturing Plant (5) (6) (7) (8)					**71.42%**			**89.77 %**			**89.94%**			**93.15%**			**84.75%**

#As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.

Notes:
** Production started from FY 2022 – 2023.*
^ Production started from FY 2023 – 2024.
**** Production capacity and actual production pertains to six months ended September 30, 2024*
***** Production capacity and actual production pertains to six months ended September 30, 2023*

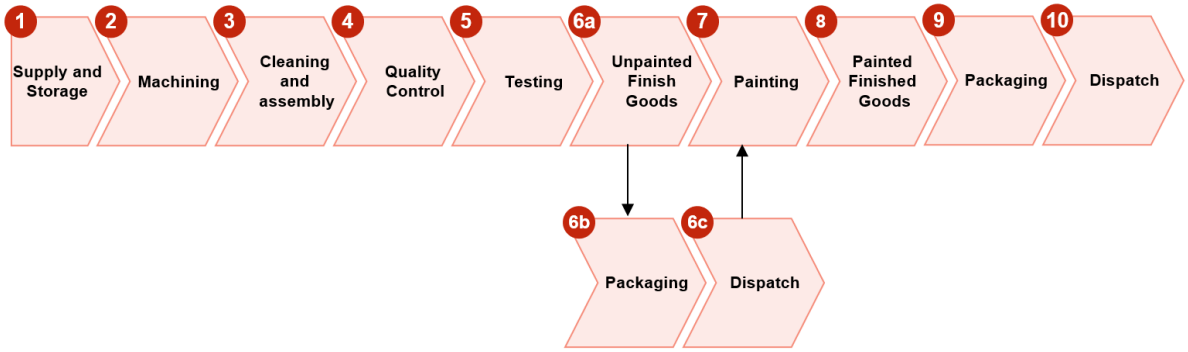
(1) Installed capacities are calculated by taking into account the assembly capacity, machining capacity and the supply chain capacity. The installed capacities are sometimes changed because, based on the product demand, machines or lines capacities (in house or at supplier) are diverted to different products.
(2) Capacity available during the period or Fiscal represents the installed capacity that was available during the relevant period or Fiscal and is calculated based on the aggregate of monthly installed capacity for each month during the relevant period or Fiscal.
(3) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.
(4) Individual capacity utilization for the period or Fiscal is calculated as quantum of production in the relevant facility in the relevant period or Fiscal, divided by the capacity available of relevant manufacturing facility during the relevant period or Fiscal.
(5) As all products vary significantly in terms of value addition, cost, weight, input resources etc., the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where production is drastically reduced due to fewer customer orders, no weightage is given.
(6) Capacity utilization is calculated based on the following methodology:
  a. Driveline manufacturing plant has machining facility, assembly facility and painting facility. Gear manufacturing plant has soft machining facility, heat treatment facility & hard machining facility.
  b. In the driveline manufacturing plant, assembly is run in two shifts, machine shop is run in 3 shifts, whereas the paint shop is run in two shifts.
  c. In the gear manufacturing plant, soft machining, HT shop and hard machining are run in 3 shifts.
  d. The working hours per day are 16 hours, for two shifts working and 22.5 hours for three shifts working. These are applicable for both the driveline manufacturing plant and the gear manufacturing plant.
  e. The lunch hour break is of 30 minutes duration for each shift (including the third shift). There are no specific tea breaks. The operators avail the tea breaks / toilet breaks during the working time without affecting the production hours.
  f. Total number of working days in a year are around 292 (paid holidays, weekend breaks and block closures are not included in these 292 days). Total number of working days in the six months ended September 30 are around 146 (paid holidays, weekend breaks and block closures are not included in these 146 days). Number of working days per month varies. The average number of days per month is 24.3.
(7) Also, the drivelines and gears vary significantly. Hence, the capacity utilization of both plants cannot be combined together and has to be viewed separately.
(8) Individual capacity utilization of gear, shafts, ring gears and other related components cannot be given because the installed capacity is a combined capacity of all these products.

The technologies employed in our manufacturing plants enable captive consumption in our production, such that goods manufactured by one unit can be consumed by another unit within our manufacturing plants, which in turn reduces lead time in our manufacturing process and enhances our scalability in catering to customers' demands.

Manufacturing Process

After obtaining the customer's approval, the relevant raw materials are procured from our suppliers and the product is put into production in our own driveline or gears manufacturing plant per the approved product design.

The following sets forth the typical manufacturing process in our driveline manufacturing plant:



1. Supply and Storage: Upon arrival of raw materials and parts at our driveline manufacturing plant, the raw materials and parts are stored at our warehouse.

2. Machining: Raw materials and parts are moved to the machining shop for processes such as casting machining, milling, drilling and threading.

3. Cleaning and Assembly: After the machining processes, products are cleaned in the washing machine to ensure cleanliness and assembled according to the production plan.

4. Quality Control: Assembled products are sent to the quality control department for checking purposes.

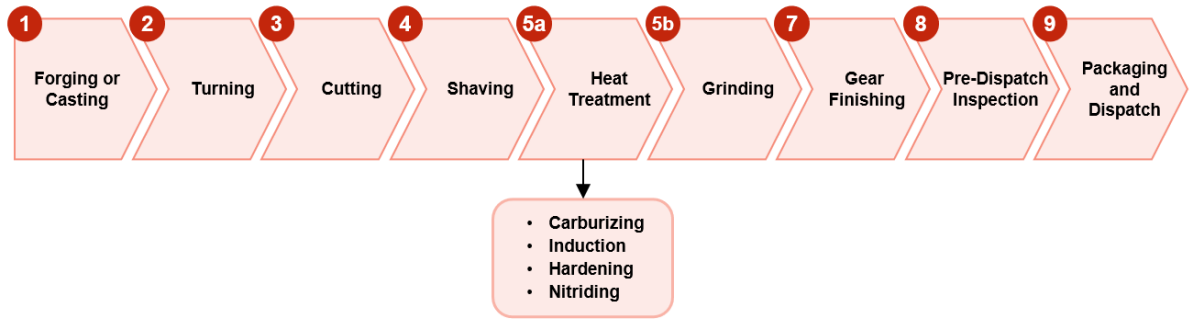
5. Testing: All of our products go through off-line testing to identify issues in their production process and make necessary improvements.

6. Painting: Painted products go through the painting process before dispatch.

7. Pre-Dispatch Inspection: Products undergoes inspection before dispatch, after which a pre-dispatch inspection report is generated.

8. Packaging and Dispatch of Finished Goods: After the pre-dispatch inspection report is received, unpainted and painted finished goods are sent to packaging according to the packing conditions agreed with our customers and dispatched according to the agreed incoterms.

The following sets forth the typical manufacturing process in our gears manufacturing plant:



1. Forging or Casting: Upon arrival of our raw materials at the warehouse of our gears manufacturing plant, the raw materials are forged or casted into specific shapes according to the product design.

2. Turning: Raw materials which are forged are sent to turning for cutting to produce precise diameters and depths according to the product design.

3. Cutting: Different gear cutting processes are applied to the work-in-progress based on specifications of the product design. The gear cutting processes include (a) drilling to cut a hole of circular cross-section, (b) hobbing, shaping, dog teeth shaping and deburring to generate teeth with different specifications and (c) roof chamfering to create a sloping surface and to eliminate sharp and brittle edges.

4. Shaving: After cutting, the work-in-progress undergoes the shaving process to remove metal from the surfaces of gear teeth.

5. Heat Treatment and Shot Blasting: After soft machining processes, the work-in-progress is sent to the heat treatment furnace for heat treatment, which includes press quench, nitriding and/or induction hardening processes. After heat treatment, the work-in-progress is sent to shot blasting to debris and irregularities.

6. Grinding: The work-in-progress goes through internal or external grinding to refine the surfaces, or hard turning to cut hardened work-in-progress to specified shapes.

7. Gear Finishing: The work-in-progress goes through finishing stage to refine the gear teeth, which is mainly profile grinding or worm grinding for gears and profile grinding or generate grinding for shafts.

8. Pre-Dispatch Inspection: Products undergoes inspection before dispatch, after which a pre-dispatch inspection report is generated.

9. Packaging and Dispatch of Finished Goods: After the pre-dispatch inspection report is received, the gears are sent to packaging according to the packing conditions agreed with our customers and dispatched according to the agreed incoterms.

To support our manufacturing processes, our manufacturing plants produce solar power in-house and source electricity from a single supplier. Similarly, we also source water from a single supplier. In 2024, we integrated our existing solar panel infrastructure with the newly installed solar panels of 3.1 megawatt. The following table sets forth details of our manufacturing costs in the respective periods or Fiscals indicated below:

	For six months ended September 30,				For Fiscal ended March 31,					
	2024		2023		2024		2023		2022	
	Expense	% of revenue from operation	Expense	% of revenue from operation	Expense	% of revenue from operation	Expense	% of revenue from operation	Expense	% of revenue from operation
	(₹ million, unless stated otherwise)									
Consumption of stores and spares	149.69	1.64%	198.77	2.07%	358.65	2.00%	308.93	1.80%	275.38	1.84%
Power and fuel	140.34	1.53%	144.92	1.51%	280.85	1.57%	274.58	1.60%	256.68	1.71%

Procurement and Raw Materials

Our primary raw materials include castings, steel, components such as bearings, forgings, castings, brakes and clutch, cylinders and hydraulic rear lifts, and indirect materials such as lubricant oil, tools, paints and fixtures.

We procure these raw materials from entities in the Carraro Group and third-party suppliers and convert the critical castings to usable products in our machine shop. In the six months ended September 30, 2024 and the past three Fiscals, we have outsourced some of the machined casting process and heat treatment operations to our suppliers on as-needed basis to manage demand peaks.

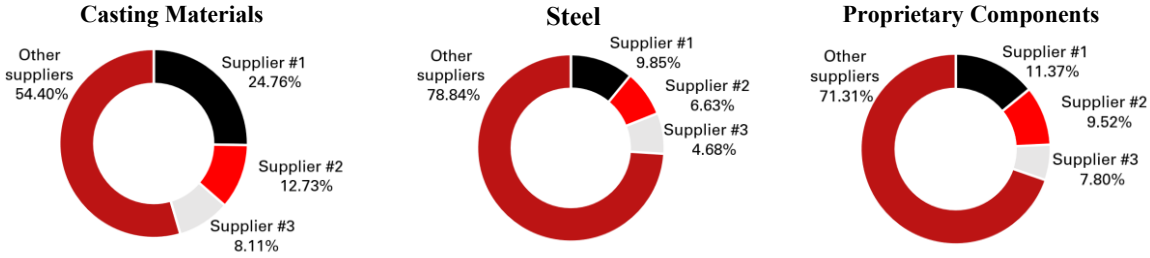
The following table sets forth details of cost of raw materials and cost of raw materials purchased from the Carraro Group for the respective periods indicated below:

	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Revenue from operations *(₹ million)*	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Cost of materials consumed *(₹ million)*	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
Cost of materials consumed as % of revenue from operations *(%)*	72.66%	76.58%	74.75%	75.33%	76.18%
Cost of raw materials purchased from Carraro Group (*₹ million*)	326.14	434.84	845.15	671.44	574.88
Cost of raw materials purchased from Carraro Group as a % of total expenses	3.81%	4.64%	4.91%	4.03%	3.86%

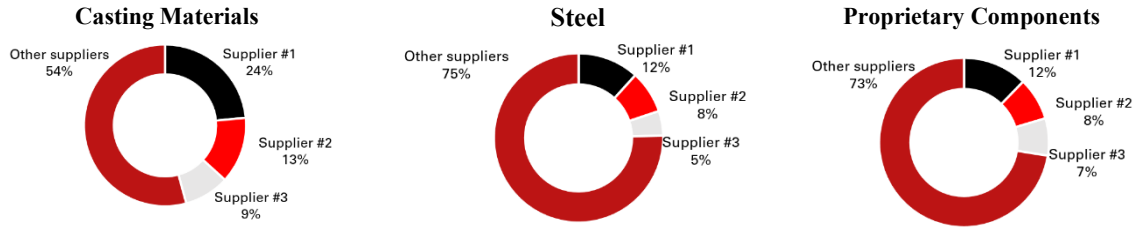
For further details, see "***Risk Factors – Internal Risks – We depend partially on other entities in the Carraro Group for our operations, such as the license of the Carraro brand, customer sourcing, procurement, R&D and general support of our operations. The Carraro Group was our largest customer in Fiscals 2024, 2023 and 2022. For Fiscal 2024, we derived 33.91% of our total revenue from the Carraro Group and have purchased 4.91% of our raw materials from the Carraro Group. Any disruption in this relationship could have a material adverse impact on our operations***" on page 27.

As of September 30, 2024, we have a supplier base of 220 suppliers spanning across eight states in India and 58 suppliers internationally.

The following charts set forth the percentage of our top three suppliers and our remaining suppliers for each raw material segment for the six months ended September 30, 2024:



The following charts set forth the percentage of our top three suppliers and our remaining suppliers for each raw material segment for the FY2024:



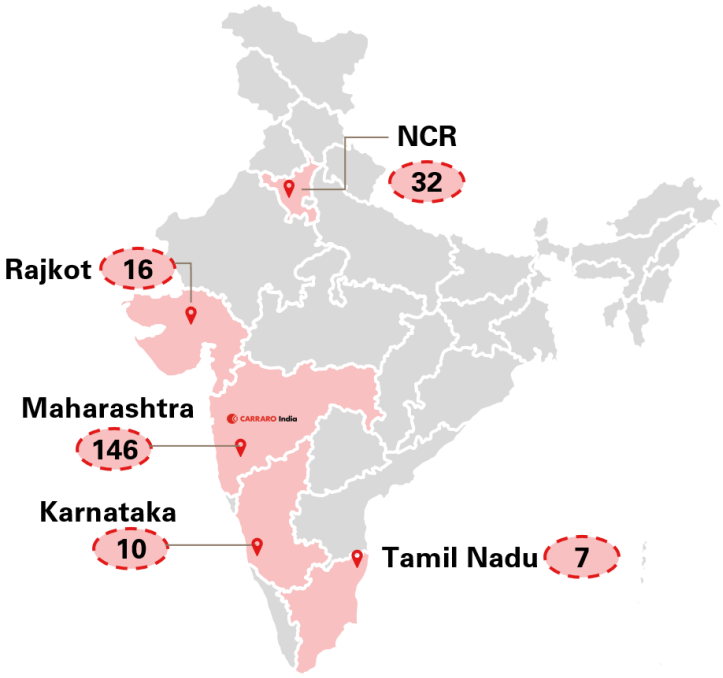
Further, we focus on local sourcing for supply in order to lower the production cost, optimize supply chain logistics and minimize lead times. For the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, representing 74.42%, 72.69%, 73.18%, 74.58% and 73.67% of our raw materials were procured from our domestic suppliers, respectively.

The following table sets forth the amount of domestically and non-domestically sourced raw materials for the respective periods indicated:

	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Casting Materials					
Domestically sourced (₹ million)	1,815.10	2,061.16	3,701.32	3,521.66	2,998.82
Domestically sourced as a % of total purchase of casting materials (%)	95.34%	93.52%	94.44%	93.70%	88.94%
Non-domestically sourced (₹ million)	88.65	142.74	217.94	236.60	372.88
Non-domestically sourced as a % of total purchase of casting materials (%)	4.65%	6.47%	5.56%	6.30%	11.06%
Steel					
Domestically sourced (₹ million)	2,007.39	2,163.52	3,963.98	4,076.99	3,664.68
Domestically sourced as a % of total purchase of steel (%)	80.74%	79.81%	78.47%	81.59%	81.89%
Non-domestically sourced (₹ million)	478.66	547.02	1,087.90	920.04	810.65
Non-domestically sourced as a % of total purchase of steel (%)	19.25%	20.18%	21.53%	18.41%	18.11%
Proprietary Components					
Domestically sourced (₹ million)	911.62	882.08	1,652.99	1,606.35	1,351.55

	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Domestically sourced as a % of total purchase of proprietary components (%)	47.38%	46.57%	47.05%	49.27%	46.02%
Non-domestically sourced (₹ million)	1,012.30	1,011.68	1,860.02	1,653.64	1,585.38
Non-domestically sourced as a % of total purchase of proprietary components (%)	52.61%	53.42%	52.95%	50.73%	53.98%

The following map sets out the geographical spread of our key suppliers in India as of September 30, 2024, which shows our supply chain localization efforts and proximity of our suppliers to our manufacturing plants:



We endeavor to source at least two suppliers for any given component or raw materials to ensure supply at any given time, avoid dependency on single source, mitigate the potential supplier concentration risk and retain flexibility in delivery and cost pressures of our supplies. We select suppliers by reviewing the suppliers based on our internal QCDD metrics and we monitor our suppliers' compliance with the QCDD metrics on an ongoing basis. The QCDD metrics include number of defect parts, competitive pricing, adherence to deadlines and the overall past performance.

We adopt the following various initiatives to foster and maintain stable supplier relationships and to ensure supplier quality, with the support from the Carraro Group and in compliance with the Carraro Group's best practices:

- Long-term agreements: While we engage some of our suppliers on purchase order basis, we enter into long-term contracts of at least three years with some of our suppliers, with a price list for the first three years subject to periodic update due to fluctuation of raw material prices. Pursuant to the long-term agreements, we usually provide a 12-month forecast of product requirements and the suppliers undertake to make available sufficient production and delivery capacity to meet the target quantities, and we provide a delivery schedule to the suppliers twice a month. These measures assist us in ensuring stable and sufficient supplies with timely delivery.

- Periodic engagement of suppliers: We engage our suppliers in our business process at periodic intervals to strengthen the existing relationships, such as conducting value analysis and engineering consulting services together with our suppliers, hosting suppliers' meeting to share our future plans and presenting supplier awards to acknowledge our suppliers' contribution. We also attend our suppliers' events from time to time.

- Formalized partnership with suppliers: From time to time, our management explores options to formalize the partnership with our key suppliers.

- Rapid improvement workshops: To ensure quality of our suppliers, we provide rapid improvement workshops to our suppliers to solve production or quality issues at the suppliers' end.

- Supplier quality department: Our supplier quality department is responsible for supplier assessment, periodic audits and process control planned audits.

Quality control

Our business success depends on the quality of our products. We follow the quality control measures of the Carraro Group, which has developed systems to ensure product quality and customer satisfaction, and which is focused on providing products conforming to applicable standards, meeting customer requirements, and ensuring functionality of our products. Further, we follow the quality policy adopted by the Carraro Group, which sets out our product design and industrial processing approach to achieve product reliability while guaranteeing safety and durability. We utilize Carraro S.p.A.'s expertise in quality control, which forms part of our overall royalty payments to the Carraro Group. In the past three Fiscals and up to the date of this Red Herring Prospectus, we have not experienced any product recalls and the percentage of overall rejection for our products is low at 0.01% for each of the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022.

We have quality testing laboratories at our driveline manufacturing and gears manufacturing plant that are equipped to perform incoming material inspection, in-process inspection and final inspection. Our laboratories can undertake several critical tests such as hardness tests, microscope checks, contamination checks, functional test, leak tests and magnetic tests. In addition, we have quality control departments at our plants which are adequately equipped for raw material testing, process monitoring and type testing of products. Further, we have a dedicated quality control department for quality testing of our products at our plants.

As of September 30, 2024, our local quality and after-sales team consisted of 87 full-time employees and 53 contractual temporary employees. The members of our quality and after-sales team conduct stringent quality checks on a periodic basis. In addition, our employees periodically undergo thorough training programs designed to update them on the latest quality norms and standards.

Further, each product type has its own quality assurance plan. Every stage of the process from raw material until the finished good is integrated and traceable on our ERP systems. Raw materials supplied by our suppliers also have to adhere to our quality standards and undergo the relevant quality control systems.

We aim to ensure that our manufacturing facilities are in compliance with applicable regulatory standards. Our facilities are subject to periodic inspections from various regulatory agencies that have issued certifications. The following table sets forth the certifications obtained by us for compliance with quality standards:

Manufacturing facility	Certifications/Customer recognition
Driveline Manufacturing Plant	ISO 14001:2015, ISO 9001:2015, ISO 45001:2018
Gears Manufacturing Plant	ISO 9001:2015, International Automotive Task Force 16949:2016, ISO 14001:2015 and ISO 45001:2018

Inventory Management

We target to review our customer portfolio and demand on a monthly basis for more accurate inventory planning and adjustment. The ability to store raw materials and work in progress goods at our plants enables us to withstand disruptions in supply as well as volatility in the price of raw material. We plan our inventory levels based on historical levels of sales, actual sale orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. We store our finished products at the warehouses.

Intellectual Property

As part of the Carraro Group, we use the Carraro corporate name, logo and trademarks pursuant to an agreement with Carraro S.p.A. With a view to enable the Carraro brand's market recognition and embed the Carraro brand's reliability and best quality practices, most of our products are branded with the "Carraro" name and logo pursuant to the license from Carraro S.p.A. For further details of the foregoing agreement, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and***

trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")" on page 249. We also manufacture and sell products of which IP rights are sub-licensed to us by Carraro Drive Tech Italia S.p.A. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" on page 250.

On October 1, 2023, Carraro S.p.A. transferred the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company and entered into an engineering service agreement with our Company to provide engineering support services on the maintenance of products and child parts. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***" on pages 249 and 250, respectively. This was pivotal in enhancing our competitive position in India. In addition, CTIPL maintains a collaborative relationship with Carraro Lux Tech to which CTIPL provides engineering services in order to uphold their rights on products not covered by the IP Assignment Agreement. For products of which we have not acquired the intellectual property rights from Carraro S.p.A. which are mainly marketed to our non-India customers, we will continue to manufacture and sell such products under the license from Carraro S.p.A. and sub license from Carraro Drive Tech Italia S.p.A. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" on pages 249 and 250, respectively.

The IP rights transferred to us from Carraro S.p.A., as well as prototypes developed by our Company, are fully developed, marketable products tailored to Indian market requirements, which have not been patented or registered due to the lack of prerequisites as of the date of this Red Herring Prospectus. We review the prototypes and acquired IP rights on a case-by-case basis to assess whether to apply for IP registration. See "***Risk Factors – Internal Risks – We may be unable to adequately protect our intellectual property rights and may be subject to intellectual property infringement claims, either of which may substantially harm its business***" on page 46 for further details.

We are currently exploring the implementation of a dedicated intellectual property strategy for our business and a program for developing derivative and original products, particularly following the acquisition of CTIPL, which brings its significant engineering capacity into our portfolio. Typically our personnel involved in working with our intellectual property, are required to sign the employment agreement which has a non-compete and confidentiality clause and accordingly, we protect our such property pursuant to the employment agreement.

Information Technology

We utilize third-party business software and solutions to support our operations and office automation systems that span across our network infrastructure. For example, we use cloud-based infrastructure to manage our spare parts catalogs and related orders and to oversee our warranty management.

We regularly review and update our systems to ensure operation efficiency to align with and support our business needs, and periodically assess our IT system to ensure security and quality of our information technology infrastructure.

Sales and Distribution

Sales and Marketing

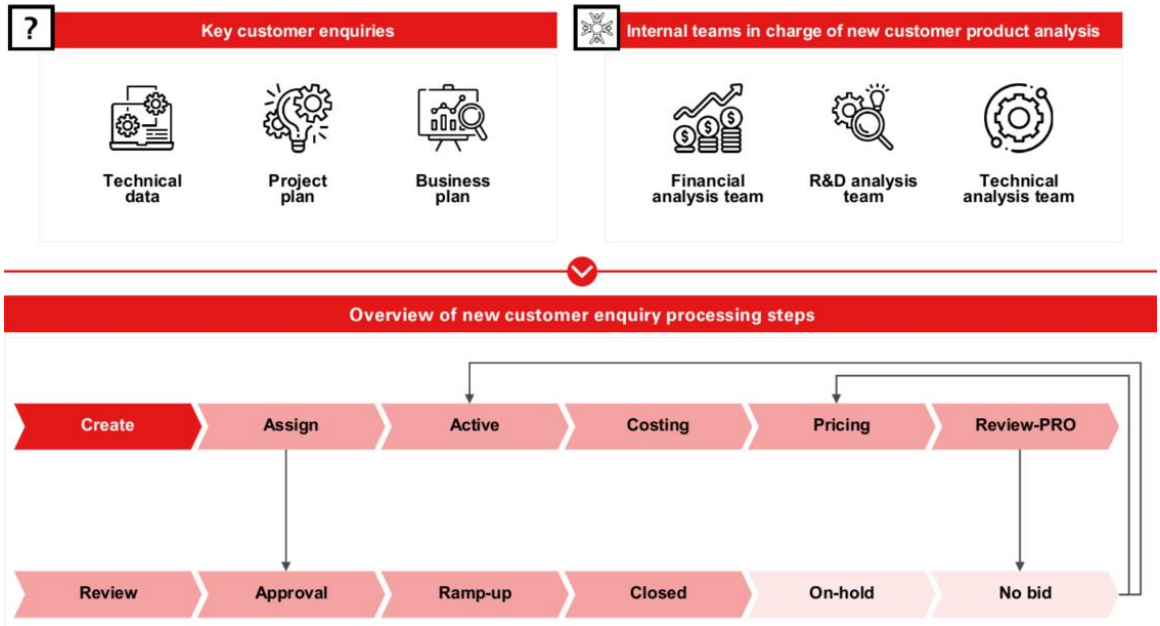
We have a dedicated sales and business development team of five employees as of September 30, 2024 focusing on sales and marketing of our products in the Indian market. Our sales and business development team also works

closely with the sales team of the Carraro Group. We also engage distributors or authorized dealers for sales of our spare parts in India. The following table sets forth details of our distributors and authorized dealers in the periods indicated:

Particulars	As at and for six months ended September 30,		As at and for Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Number of distributors	4	4	4	3	3
Number of authorized dealers	4	1	3	2	2
Revenue from products sold through distributors (₹ in millions)	4.78	46.29	52.92	8.69	6.93
Revenue from products sold through distributors as a % of total revenue (%)	0.05%	0.48%	0.30%	0.05%	0.05%
Revenue from products sold through authorized dealers (₹ in millions)	181.66	0.64	1.54	18.24	4.02
Revenue from products sold through authorized dealers as a % of total revenue (%)	1.99%	0.01%	0.01%	0.11%	0.03%

We have undertaken various marketing initiatives, such as hosting events held at our customers' premises and attending trade fairs to showcase our new products and their applications.

The following graph sets out our customer engagement and product analysis process based on our customer-centric business model as a tier 1 solution provider of axles and transmission systems:



1. Key customer enquiries: The customers typically approach us with enquiries on technical data, project plan or business plans for off-highway vehicles. Upon contemplation of a defined product, we onboard the customer with a contract and commence the product analysis.

2. Product analysis and design: We assign the appropriate teams in customer product analysis, including the technical analysis team which maps out the technical requirements and support for the project, the CTIPL R&D center which initiates the design of product solutions. Based on the product analysis, the project is referred to the CTIPL R&D center for conceptual and detailed product designs, after which the design is subject to virtual validation, prototyping and lab and field testing. The CTIPL R&D team also undertakes product maintenance and other R&D activities.

3. Costing and pricing: Based on the product design, our financial analysis team prepares costing and pricing of the product based on internal guidelines and approval procedures, which take into account factors such as volumes forecast and the required investments.

4. Product review and approval: Our product design and budget are provided to the customer for review. We may further revise the product design and budget based on the customer's feedback until we obtain approval from the customer.

5. Manufacturing: After obtaining the customer's approval, the relevant raw materials are procured from our suppliers according to our customers' schedule and the product is put into production in our own driveline or gears manufacturing plant per the approved product design.

6. Inventory management: Products are manufactured in accordance with customer schedules or orders and the finished products are stored in our factory.

7. Delivery: Axles and transmission systems are mostly delivered on free-on-board basis for exports and on an ex-works plant basis for domestic customers. The delivery of spare parts is determined on a case-by-case basis.

8. After-sales services: We provide after-sales services, including providing training to the customers' trainers and replacement of parts during the warranty period.

Customer Relationships and Network

As of September 30, 2024, we have a customer base of 38 customers in India. Further, as of September 30, 2024, we also supplied to customers internationally (to some of whom we export through Carraro Drive Tech Italia S.p.A.), which are primarily OEMs. For Fiscal 2024, 64.13% and 35.87% of our revenue were attributed to domestic customers and overseas customers, respectively. Our key customers include leading domestic and international brands such as (i) Mahindra and Mahindra, TAFE, International Tractors Limited, Escorts Kubota Limited, CNH, Action Construction Limited, John Deere India Private Limited, Kartar Agro and Preet Tractors in the agricultural tractors sector, (ii) Bull Machines, CNH, Mahindra and Mahindra, Escorts Kubota Limited, Action Construction Limited, Volvo, Tata Hitachi, Terex, Liugong, Doosan Bobcat, KION, Dynapac, Manitou Equipment and John Deere India Private Limited in the construction vehicles sector and (iii) CNH in the others sector.

In addition to our sales to local customers, we export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers outside of Asia through Carraro Drive Tech Italia S.p.A. The following table sets forth the geographical spread of our revenue (including revenue from customers triangulated through Carraro Drive Tech Italia S.p.A.) for the periods or years indicated:

	For six months ended September 30,				For Fiscal ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
	(in ₹ million, except otherwise stated)									
India	5,955.68	65.40%	6,110.48	63.91%	11,412.99	64.13%	10,531.12	61.81%	9,419.47	63.20%
Exports [(1)]	3,150.68	34.60%	3,450.89	36.09%	6,384.05	35.87%	6,506.37	38.19%	5,483.61	36.80%
– European Union	3,027.09	33.24%	3,350.11	35.04%	6,164.34	34.64%	5,885.77	34.55%	4,907.91	32.93%
– Asia (excluding India)	90.85	1.00%	42.86	0.45%	142.53	0.80%	104.46	0.61%	119.98	0.81%
– Americas	24.48	0.27%	33.27	0.35%	77.00	0.43%	516.14	3.03%	455.72	3.06%
– Rest of the world	8.26	0.09%	24.65	0.26%	0.18	0.00%	0.00	0.00%	0.00	0.00%

Note:

(1) We export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers outside of Asia through Carraro Drive Tech Italia S.p.A.

We usually enter into long-term contracts of at least five years with our customers, with additional schedules executed based on each new order received. The contracts provide for product specification, delivery terms and payment terms. Since we design and manufacture products tailored for the type of agricultural tractors and construction vehicles, we believe our customers are subject to high switching costs in case of a change of manufacturer and are hence prone to have higher stickiness. We have long-term relationship with our top 10

customers, which have engaged us for an average of more than 15 years as of September 30, 2024. The following table sets forth details of our customers as at and for the six months ended September 30, 2024 and 2023 and Fiscals ended March 31, 2024, 2023 and 2022:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of customers	**44**	**41**	**44**	**41**	**42**
Agricultural tractors	12	11	12	9	10
Construction vehicles	18	16	16	17	15
Agricultural tractor and construction vehicle sectors	5	5	6	6	6
Others	9	9	10	9	11
Revenue from operations contribution from customers (in ₹ million)	**9,146.19**	**9,610.27**	**17,889.65**	**17,131.45**	**14,975.43**
Customers of less than five years	3,657.10	4,339.96	8,075.19	7,040.49	5,458.27
Customers of more than five years but less than 10 years	1,255.67	991.64	2,004.06	2,012.43	1,359.17
Customers of more than 10 years	4,233.45	4,278.67	7,810.40	8,078.53	8,157.99

The following sets forth a breakdown of revenue from our top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for the six months ended September 30, 2024:

Sr. no.	Revenue from top 10 customers	For the six months ended September 30, 2024	
		Amount *(in ₹ million)*	% of total revenue *(in %)*
1	The Carraro Group	3,043.37	33.27%
2	Mahindra & Mahindra	1,186.52	12.97%
3	CNH	1,162.89	12.71%
4	Customer E [(1)]	515.14	5.63%
5	International Tractors Ltd. / Sonalika	453.58	4.96%
6	Bull Machines Private Limited	420.06	4.59%
7	Customer F [(1)]	370.79	4.05%
8	Customer C [(1)]	340.68	3.72%
9	Customer A [(1)]	318.66	3.48%
10	Customer D [(1)]	225.57	2.47%
	Total	**8,037.27**	**87.88%**

Note:
(2) The name of the customer is disclosed as a masked name due to confidentiality reasons.

The following sets forth a breakdown of revenue from our top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for the six months ended September 30, 2023:

Sr. no.	Revenue from top 10 customers	For the six months ended September 30, 2023	
		Amount *(in ₹ million)*	**% of total revenue** *(in %)*
1	The Carraro Group	3,287.84	34.21%
2	CNH	1,707.91	17.77%
3	Mahindra & Mahindra	658.20	6.85%
4	Customer E (1)	603.65	6.28%
5	Bull Machines Private Limited	427.11	4.44%
6	International Tractors Ltd. / Sonalika	350.61	3.65%
7	Action Construction Equipment	347.30	3.61%
8	Customer C (1)	332.23	3.46%
9	Manitou Equipment	255.23	2.66%
10	Customer A (1)	253.34	2.64%
	Total	**8,223.42**	**85.57%**

Note:
(1) The name of the customer is disclosed as a masked name due to confidentiality reasons.

The following sets forth a breakdown of revenue from our top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for Fiscal 2024:

Sr. no.	Revenue from top 10 customers	For Fiscal ended March 31, 2024	
		Amount *(in ₹ million)*	**% of total revenue** *(in %)*
1	The Carraro Group	6,067.13	33.91%
2	CNH	2,903.23	16.23%
3	Mahindra & Mahindra	1,676.00	9.37%
4	John Deere India Private Limited	907.81	5.07%
5	Bull Machines Private Limited	855.60	4.78%
6	International Tractors Ltd. / Sonalika	741.03	4.14%
7	Escorts Kubota Limited	590.38	3.30%
8	Customer A (1)	573.06	3.20%
9	Action Construction Equipment	532.47	2.98%
10	Customer F (1)	429.90	2.40%
	Total	**15,276.61**	**85.39%**

Note:
(1) The name of the customer is disclosed as a masked name due to confidentiality reasons.

The following sets forth a breakdown of revenue from our top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for Fiscal 2023:

Sr. no.	Revenue from top 10 customers	For Fiscal ended March 31, 2023	
		Amount *(in ₹ million)*	**% of total revenue** *(in %)*
1	The Carraro Group	5,629.98	32.86%
2	CNH	2,970.49	17.34%
3	John Deere India Private Limited	1,745.95	10.19%
4	Mahindra & Mahindra	1,334.77	7.79%
5	Customer C (1)	725.70	4.24%
6	International Tractors Ltd. / Sonalika	643.83	3.76%
7	Bull Machines Private Limited	514.79	3.00%
8	Action Construction Equipment	464.63	2.71%
9	Customer A (1)	440.34	2.57%
10	Customer B (1)	417.45	2.44%
	Total	**14,887.95**	**86.90%**

Note:
(1) The name of the customer is disclosed as a masked name due to confidentiality reasons.

The following sets forth a breakdown of revenue from our top 10 customers on consolidated customer group basis, which consolidate revenue contribution by customer entities in the same group, for Fiscal 2022:

Sr. no.	Revenue from top 10 customers	For Fiscal ended March 31, 2022	
		Amount *(in ₹ million)*	**% of total revenue** *(in %)*
1	The Carraro Group	4,641.22	30.99%
2	CNH	2,610.31	17.43%
3	John Deere India Private Limited	1,563.14	10.44%
4	Mahindra & Mahindra	1,153.61	7.70%
5	International Tractors Ltd. / Sonalika	991.72	6.62%
6	Customer C (1)	818.54	5.47%
7	Customer B (1)	399.16	2.67%
8	Customer A (1)	388.52	2.59%
9	Bull Machines Private Limited	330.23	2.21%
10	Customer D (1)	312.89	2.09%
	Total	**13,209.33**	**88.21%**

Note:
(1) The name of the customer is disclosed as a masked name due to confidentiality reasons.

For transmissions, axles and gears, our planning model includes several steps. We start our planning process with forecasting the demand of customers based on customer schedules and trends. The demand is received by e-mails or customer portals. Once we receive orders from our customers, we conduct order book analysis and establish the production plan. We then confirm the delivery timing of the order. We utilize, twice a month, the material requirement planning ("**MRP**") function of our systems applications and products ("**SAP**") system, which calculates the need for materials and recommends production and purchasing activity (orders) to satisfy those demands. Following this stage, we release the supplier orders on our web portal.

We then receive the materials required for the manufacturing in our manufacturing plant, following which they are offered to inspection based on the quality plan. Upon quality clearance, such materials are sent to our warehouse and then are issued from the warehouse to various assembly lines as per the production plan. This process is monitored through the ERP system and followed with a bar code system. If the materials are rejected due to a deficiency in their quality, they are sent back to suppliers. Following the quality clearance, we assemble the products as per customer priority and availability of materials, and finally, deliver the products to our customer as per the terms of our agreement with such customer and receive the payment from the customer as per the payment order.

For spare parts, our distribution process starts with forecasting the demand of customers based on customer schedules and based on trends. Once we receive orders from our customers, we confirm the availability schedule to our customers. We then confirm the delivery timing of the order and create the delivery order in our SAP system. This stage is followed by collection of the spare parts as per customer demand from our warehouse to be sent to the packing area based on agreed packing standards, following which we deliver the spare part to our

customer as per the terms of our agreement with such customer and receive the payment from the customer as per the payment order.

Environmental, Health and Safety, Social and Governance

We endeavor to comply with applicable health and safety regulations and other requirements in our operations and minimize the adverse impact of our products and activities on the environment, maintain ecological balance and protect the bio-diversity near our manufacturing plants. Further, we endeavor to ensure the safety of our employees and people working in our manufacturing facilities or under our management.

We also comply with the environment, health and safety policy of the Carraro Group which acknowledges health and safety in the workplace and protection of the environment as integral parts of the values and management principles of the Carraro Group. We adopt a reporting process which closely monitors various health and safety parameters in the workplace including incidents, near misses and risks. Results-based assessments of the management systems are regularly performed to promote continuous improvement and for the development of reference standards. In order to ensure maximum attention to environmental issues, our management systems in the driveline manufacturing plant have been updated specifically for compliance with ISO 14001:2015 standards for environmental management systems.

We optimize efficiency to increase performance through digitized solutions and minimize waste of resources and impact on the environment. The sustainability-oriented management of relations with our customers and suppliers allows us to organize our business responsibly.

Social

We strive for constant innovation to deliver unique value and quality products to customers and extend positive impact in local communities through mutually beneficial partnerships.

We comply with various policies developed by the Carraro Group for social accountability including the diversity policy which prohibits discrimination of employees based on race, color, language, gender and other unreasonable grounds and promotes equal treatment and opportunities.

Governance

We adopt various governance policies developed by the Carraro Group, such as (i) the code of ethics which sets out our employees' ethical duties and responsibilities in the conduct of corporate business and activities, (ii) whistleblowing guidelines to prevent and combat wrongdoing and illegal behaviors and (iii) anti-corruption policy which aims to mitigate the risk of non-compliance with the applicable anti-corruption laws.

Employees

As of September 30, 2024, we and CTIPL had a total of 1,600 employees, consisting of 965 full-time employees and 635 contractual temporary employees. All of our employees are based in India. The following table sets forth number of full-time employees and contractual temporary employees of our Company and CTIPL by function as of September 30, 2024 and March 31, 2024, 2023 and 2022:

Function	As of September 30,		As of March 31,					
	2024		2024		2023		2022	
	Number of full-time employees	Number of contractual temporary employees	Number of full-time employees	Number of contractual temporary employees	Number of full-time employees	Number of contractual temporary employees	Number of full-time employees	Number of contractual temporary employees
Employees of our Company								
Managing Director	1	-	1	-	1	-	1	-
Chief Operating Officer	1	-	1	-	1	-	1	-
Finance	22	7	19	7	16	7	18	8
Sales and Business Development	5	-	5	-	4	-	5	-
Human Resources and General Services	9	3 (1)	8	3 (1)	8	2 (1)	8	2 (1)
Manufacturing	580	432 (1)	579	489 (1)	584	530	583	579
Quality and After-Sales	87	53	88	57	85	59	85	43
Supply Chain	74	123	76	125	68	131	68	126
Systems & IT	8	3	7	2	8	3	6	4
Purchase and Supplier Quality Engineering	23	-	19	-	20	-	14	3
Maintenance	54	11 (1)	56	15 (1)	52	10	49	6
Manufacturing Engineering	45	3	45	5	47	3	45	3
Employees of CTIPL								
R&D Centre	56	-	57	-	50	-	58	-
Sub-total	**965**	**635**	**961**	**703**	**944**	**745**	**941**	**774**
Total		**1,600**		**1,664**		**1,689**		**1,715**

Note:
(1) Inclusive of one retainer, who is an employee whose term has been extended beyond his/ her retirement date, in the relevant teams as of the relevant dates.

As of September 30, 2024, we also had 39 contractors and 119 of 1,600 employees of our Company are represented by an internal registered labor union.

Insurance

Our insurance policies cover, among others, protection from fire, burglary, transit damage, employee compensation, hazardous substances, data and privacy breach and public liability insurance. We have also obtained group personal accident insurance and group mediclaim insurance for our employees working at our manufacturing plants. Our suppliers are also required to enter into and take effective and adequate insurance policy to cover the risks linked to the potential defects found in the in the products supplied to the Carraro Group, including third party liability by an insurance company accepted by the Carraro Group, for the duration of their respective supply agreements. While we believe that the level of insurance we maintain would be adequate to cover the normal risks associated with the operation of our business, we do not have insurance policies to cover all possible events, see "***Risk Factors – Internal Risks – We rely primarily on third-party insurance policies to insure our operations-related risks. If our insurance coverage is inadequate, it may have an adverse effect on our business, financial condition and results of operations***" on page 60 for further details.

Property

Our registered office and the driveline manufacturing plant and gears manufacturing plant are located in Pune. Our Registered Office is located in B2/2, MIDC, Ranjangaon, Pune 412 220, Maharashtra, India. As of September 30, 2024, we owned the driveline manufacturing plant occupying a plot area of 84,045.27 square meters and actual built-up area of 46,372 square meters and gears manufacturing plant occupying a plot area of 78,011 square meters and actual built-up area of 21,573 square meters. The details of properties leased by our Company and CTIPL are set forth as below:

	Location	Address	Plot Area	Lease/Freehold
Registered Office				
1	Registered office	B2/2, MIDC, Ranjangaon Pune 412 220, Maharashtra, India	84,045.27 square meters	Leasehold
Manufacturing Plants (including warehouses)				
1	Driveline Manufacturing Plant	B2/2 MIDC, Ranjangaon Pune 412 220, Maharashtra, India	84,045.27 square meters (includes warehouse of approximately 12,870.00 square meters)	Leasehold
2	Gears Manufacturing Plant	B2/3 MIDC, Ranjangaon Pune 412 220, Maharashtra, India	78,010.69 square meters (includes warehouse of approximately 1,006.00 square meters)	Leasehold
R&D Centre				
1	CTIPL R&D Centre	501 - A&B, 5th Floor, Gamma 1 building, Gigaspace, Viman Nagar, Pune 411 014, Maharashtra, India	1,254.19 square meters	Leasehold

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain key sector specific relevant laws and regulations in India which are applicable to the business and operations of our Company and its Subsidiary. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, that are available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and is neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

National Auto Policy and Automotive Mission Plan 2016-2026

The Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises released the draft National Auto Policy that envisages propelling India amongst the top three nations in the world in engineering, manufacturing and export of automotive vehicles and components. The key policy guidelines prescribed by the National Auto Policy include inter alia measures to increase exports of vehicles and components including by considering a phased increase of duty credit scrips (from 2%) for export of vehicles and auto components in line with comparable products to target countries under Merchandise Export from India Scheme.

The Ministry of Heavy Industries and Public Enterprises, GoI released the Automotive Mission Plan 2016-26 ("**AMP**") in September 2015 with the following objectives: making the Indian automotive industry an integral part of the "Make in India" initiative and "Skill India" programme; promote safe, efficient and comfortable mobility for every person in the country along with environmental protection and affordability through both public and personal transport options; increase net exports of the Indian automotive industry several fold; and formulate policies for providing a fair and predictable governing environment.

Notification number 477(E) dated July 25, 1991 and Press Note 9 dated August 2, 1991 of the Ministry of Commerce and Industry, Government of India

The Ministry of Commerce and Industry, Government of India pursuant to its notification number 477(E) dated July 25, 1991 ("**Notification**") exempted certain industrial undertakings from the provisions of the Industries (Development and Regulation) Act, 1951 ("**Industries Act**") providing for licencing of industrial undertakings. Under the Industries Act an industrial undertaking means any undertaking pertaining to an industry (mentioned in the schedule to the Industries Act) that is carried on in one or more factories by any person or authority including the Government. Industries undertaking the manufacture of articles exempted from industrial license in terms of the Notification are required to submit an Industrial Entrepreneurs Memorandum ("**IEM**") for undertaking the manufacture of such exempted articles under the provisions of the press note no. 9 dated August 2, 1991.

Export Promotion Capital Goods Scheme, 2020 ("EPCG Scheme")

The Export Promotion Capital Goods Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of nonfulfillment of prescribed export obligations.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification dated March 24, 1992. The owner or handler is also required to take out one or more insurance policies insuring against liability under the legislation and renew the same periodically. The Public Liability Act also provides for the establishment of the Environmental Relief Fund, which shall be utilised towards payment of relief granted under the Public Liability Act. 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.

Electricity Act, 2003 ("Electricity Act")

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission ("**CERC**"),the State Electricity Regulatory Commissions ("**SERCs**") or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).The generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines. Further, the generating company may supply electricity to any licensee or even directly to consumers and have a right to open access, for the purpose of carrying electricity subject to availability of adequate transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the appropriate electricity regulatory commission. In terms of the Electricity Act, 'open' access means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system, by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the appropriate electricity regulatory commission. Under the Electricity Act, the appropriate commission shall specify the terms and conditions for the determination of tariff. Pursuant to the powers granted under the Electricity Act, various regulations and guidelines have been framed by the CERC and SERCs for determination of tariff for thermal producers and generation, distribution, transmission, allowing open access, among others.

Central Electricity Authority Regulations, 2010 ("CEA Regulations")

The CEA Regulations encompass a set of rules and guidelines formulated by the Central Electricity Authority of India to regulate various aspects of the electricity sector. It establishes standards for the operation and maintenance of the national and regional electricity grids to ensure reliability, stability, and efficiency in electricity transmission and distribution. They outline procedures and requirements for grid connectivity and access for generating companies, transmission licensees, distribution licensees, and other entities involved in the electricity supply chain. They prescribe technical standards for the construction, operation, and maintenance of electrical installations, equipment, and systems to promote safety and reliability across the electricity infrastructure.

Maharashtra Electricity Duty Act, 2016 ("Maharashtra Electricity Act")

The Maharashtra Electricity Act is state legislation which provides for levying a duty on consumption of electrical energy in the state of Maharashtra and for matters connected thereto. It covers all categories of electricity consumers as per the Electricity Act. It provides the state government of Maharashtra with the power to exempt electricity duty under specific conditions and the power to modify rates of electricity duties. In case of delayed payment, interest rate of 18% p.a. for the first three months and thereafter 24% p.a. till such payment is made are applicable.

Fire prevention laws

State governments have enacted laws that provide for fire prevention and life safety. Such laws include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. The Maharashtra Fire Prevention and Life Safety Measures Act, 2006 is applicable to our Company.

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

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, appointment of government-approved test centres for verification of weights and measures used and lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer, seller, distributor, or seizure of the goods or imprisonment in certain cases. The LM Act defines "pre-packaged commodity" as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity.

The Packaged Commodities Rules prescribes the regulations for imports, pre-packing and the sale of commodities in a packaged form intended for retail sale, wholesale and for export and import, registration of manufacturers, packers and importers, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations

to be made on every package, the size of label and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia*, the name and address of the manufacturer, the dimensions of the commodity, the net quantity, the month and year in which the commodity is manufactured, or pre-packed, or imported, the maximum retail price, generic name of the product, the country of origin and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules have subsequently incorporated amendments to increase protection granted to consumers especially relating to e-commerce entities. Pursuant to the amendments, e-commerce entities are to ensure that mandatory declarations are displayed on the digital and electronic network used for e-commerce transactions. In the marketplace model of e-commerce, responsibility of correctness of the declarations lies with the manufacturer, or seller or dealer or importer provided certain conditions are met. Further, includes amendments in relation to the unit price declared on the pre-packaged commodity, declaration of the retail sale on packaging to be provided in Indian currency amongst others.

Maharashtra Legal Metrology (Enforcement) Rules, 2011 ("Maharashtra LM Rules")

Maharashtra LM Rules provide a framework for the enforcement of legal metrology laws in the state of Maharashtra, India. They apply to all weights, measures, and weighing and measuring instruments used or intended to be used in any transaction or for protection. Manufacturers and packers of weighing and measuring instruments are required to obtain licenses from the Controller of Legal Metrology. The Maharashtra LM Rules specify the procedure for verification, stamping, and re-verification of instruments. They aim to protect consumers from unfair trade practices by ensuring that all transactions involving weights, measures, or packaged commodities are conducted fairly and accurately.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act provides for the establishment of the Bureau of Indian Standards ("**BIS**") for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services and for matters connected therewith or incidental thereto. The BIS Act provides for the functions of the BIS which includes, among others (a) establish branches, offices or agencies in India or outside; (b) undertake testing of samples and activities relating to legal metrology; (c) enter into and search places, premises or vehicles, and inspect and seize goods or articles and documents; and (d) functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders.

The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds it expedient to do so in public interest, national security, protection of human, animal or plant health, safety of environment or prevention of unfair trade practices. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

Standards of Weights and Measures Act, 1976 ("Standards of Weights and Measures Act")

Standards of Weights and Measures Act aims to establish standards of weights and measures, regulate their use in trade and commerce, and prevent unfair practices relating to weights and measurements. It establishes the standard units of weights and measures based on the metric system, such as the kilogram for mass, the meter for length, the liter for volume, etc. The Standards of Weights and Measures Act mandates the maintenance of standards for weights and measures by the government, which are periodically verified and certified for accuracy. The Standards of Weights and Measures Act requires that all weights and measures used in trade and commerce be verified and stamped by authorized metrology departments or agencies to ensure accuracy and compliance with standards.

The Explosives Act, 1884 ("Explosives Act") and the Explosives Rules, 2008

The Explosives Act is a comprehensive law which regulates by licensing the manufacturing, possession, sale, transportation, export and import of explosives. Under the Explosives Act, "explosive" means inter alia any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

In furtherance to the purpose of the Explosives Act, the Central Government has notified the Explosive Rules, 2008 in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

The Consumer Protection Act, 2019 ("COPRA 2019")

COPRA 2019 which repealed the Consumer Protection Act, 1986, was designed and enacted for protection of the interests of consumers and redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods and/or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. Under the COPRA 2019, a Central Consumer Protection Authority was established with a view to regulate matters involving violation of consumer rights, misleading or false advertisements, unfair trade practices and enforcement of consumer rights. 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 COPRA 2019, 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 ₹ 1,000,000. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to lifetime and fine between ₹ 100,000 to ₹ 1,000,000 depending upon the nature of injury to the consumer.

Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 ("Maharashtra Tax Act")

The Maharashtra Tax Act imposes a tax on professions, trades, callings, and employments carried on in the state of Maharashtra, India. It applies to individuals, Hindu Undivided Families ("**HUFs**"), companies, firms, and other entities engaged in specified professions, trades, callings, or employments. Tax is levied on the income derived from the professions, trades, callings, or employments specified under the Maharashtra Tax Act. Individuals or entities engaged in any of the specified activities are required to register themselves and they must also comply with the filing of returns and other procedural requirements. It may provide for exemptions, deductions, or rebates in certain cases as per the provisions laid down.

Environmental legislations

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards, which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The Pollution Control Boards are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the Pollution Control Boards, which are required to be periodically renewed. These consent orders are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms.

The Environment (Protection) Act, 1986 ("EPA") and the Environment (Protection) Rules, 1986

The EPA is an umbrella legislation designed to provide a framework for the Government of India to protect and improve the environment. The EPA vests with the Government of India, the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for the quality of environment, standards for emission of discharge of environment pollutants from various sources as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Maharashtra Ground Water Act, 2014 ("Maharashtra Ground Water Act")

The Maharashtra Ground Water Act aims to regulate and manage the extraction and use of groundwater resources within the state of Maharashtra. The Maharashtra Ground Water Act establishes a system for licensing and regulating the extraction of groundwater. It requires individuals or entities to obtain permits from the appropriate authorities before drilling wells or extracting groundwater for commercial, industrial, agricultural, or domestic purposes. The Maharashtra Ground Water Act mandates the establishment of mechanisms for monitoring groundwater levels, quality, and usage patterns. To prevent over-exploitation of groundwater, the Maharashtra Ground Water Act empowers authorities to impose restrictions on the extraction of groundwater in certain areas or during specific times. This includes measures such as power to notify and de-notify areas to regulate development and management of ground water, prohibit drilling of deep-wells or withdrawal of water thereof, and levy of cess.

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state PCB prior to establishing or operating such industrial plant. The state PCB must decide on the application within a period of four months of receipt of such application. No person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state PCB. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended (the "Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, "hazardous waste" *inter alia* means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter, or operator of a disposal facility is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and shall be liable to pay any financial penalty that may be levied by the respective state pollution control board for violation of the Hazardous Waste Rules.

Foreign investment regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**FDI Policy**"), each as amended.

Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (i.e., direct foreign investment and indirect foreign investment) in an Indian company.

The Foreign Trade (Development and Regulation) Act, 1992 ("FTA") and the rules notified thereunder

The FTA Act, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government of India:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the official gazette; (iv) is also authorised to appoint a 'director general of foreign trade' for the purpose of the FTA, including formulation and implementation of the export-import ("**EXIM**") policy.

The FTA prohibits anybody from undertaking any import or export except under an importer-exporter code number ("**IEC**") granted by the director general of foreign trade pursuant to Section 7 of the FTA. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. Failure to mention IEC number attracts a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is made. The IEC shall be valid until it is cancelled by the issuing authority

Labour law legislations

The Occupational Safety, Health and Working Conditions Code, 2020 ("Occupational Conditions Code")

The Occupational Conditions Code received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Occupational Conditions Code proposes to provide for, among other things, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.

Other labour law legislations

The various other labour and employment-related legislations (and rules notified thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

(i) Apprentices Act, 1961.

(ii) Contract Labour (Regulation and Abolition) Act, 1970.

(iii) Employees' Compensation Act, 1923.

(iv) Employment Exchange (Compulsory notification of Vacancies) Act, 1956.

(v) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

(vi) Employees' State Insurance Act, 1948.

(vii) Equal Remuneration Act, 1976.

(viii) Factories Act, 1948.

(ix) Industrial Dispute Act 1947.

(x) Industrial Employment (Standard orders) Act, 1946.

(xi) Labour Welfare Fund Act, 1965.

(xii) Tax on Professions, Trades, Callings and Employments Act, 1976.

(xiii) Minimum Wages Act, 1948.

(xiv) Payment of Bonus Act, 1965.

(xv) Payment of Gratuity Act, 1972.

(xvi) Payment of Wages Act, 1936.

(xvii) Maternity Benefit Act, 1961.

(xviii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(xix) The Child Labour (Prohibition and Regulation) Act, 1986.

(xx) Rights of Persons with Disabilities Act, 2016.

(xxi) Code on Wages, 2019[*]

(xxii) Code of Social Security, 2020[**]

[*]*The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(2)(s), 67(2)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the Government of India) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

[**]*The Government of India enacted 'The Code on Social Security, 2020' which received the assent of the President of India on September 28, 2020. Further, draft rules under the Code on Social Security, 2020 were notified on November 13, 2020. The provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. Pursuant to notifications dated May 3, 2023, certain provisions of the Code on Social Security, 2020 related to pension have been brought into force.*

Other laws

In addition to the aforementioned laws and regulations, which are applicable to our Company. Our Company is also required to comply with the provisions of the Companies Act, 2013 and rules notified thereunder, and other applicable statutes promulgated by the relevant Central and State Governments including the central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as "Carraro India Private Limited" on April 11, 1997, as a private limited company under the Companies Act, 1956, at New Delhi, India, pursuant to a certificate of incorporation issued by the Registrar of Companies, NCT of Delhi and Haryana ("**RoC Delhi**"). Pursuant to allotment of Equity Shares* by our Company and in accordance with the provisions of Section 43A(1) of the Companies Act, 1956, our Board passed a resolution on September 30, 1997, wherein our Board noted that our Company had become a deemed public company, and the name of our Company was changed to "Carraro India Limited" with effect from September 3, 1997, pursuant to a certificate of incorporation endorsed by the RoC Delhi to that effect. Further, pursuant to a resolution passed by our Board dated September 28, 2007 and a special resolution passed by our Shareholders dated September 29, 2007 which was confirmed by an order of the Company Law Board, Northern Region Bench, New Delhi dated July 25, 2008, the registered office of our Company was shifted from the state of Delhi to the state of Maharashtra with effect from July 25, 2008 and a certificate of registration of the order of the Company Law Board for change of state of our registered office was issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**") on August 14, 2008.

Subsequently, pursuant to a resolution passed by our Board dated August 28, 2008 and a special resolution passed by our Shareholders dated September 22, 2008, our Company was re-converted into a private limited company and the name of our Company was changed to "Carraro India Private Limited", and a fresh certificate of incorporation dated March 16, 2009 was issued by the RoC. Subsequently, on the conversion of our Company to a public limited company, pursuant to a resolution passed by our Board on July 3, 2024 and a special resolution passed by our Shareholders on July 4, 2024, the name of our Company was changed to "Carraro India Limited" and a fresh certificate of incorporation dated August 12, 2024 was issued by the RoC.

* *9,999,900 Equity Shares were allotted to three Shareholders on September 30, 1997. For further details, see "**Capital Structure – Notes to the Capital Structure – History of Equity Share capital of our Company**" on page 93.*

Changes in the registered office of our Company

Details of changes in the registered office address of our Company since the date of incorporation are as set out below:

Date of change	Details of change in the registered office	Reasons for change
July 21, 2004	The address of the registered office of our Company was changed from A-36, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi, Delhi 110 044, India to N - 6 Pratap Building, Connaught Circus, New Delhi, Delhi 110 001, India	For administrative convenience
July 25, 2008	The address of the registered office of our Company was changed from N - 6 Pratap Building, Connaught Circus, New Delhi, Delhi 110 001, India to B2/2, MIDC, Ranjangaon, Pune 412 220, Maharashtra, India	For administrative convenience, efficiency and carrying out business economically

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *To design, develop, manufacture, assemble, install, produce alter, fabricate, remodel, purchase, sell, design, repair, procure, import; export, distribute, supply render service, operate, extend customer support or otherwise deal in mechanical transmissions, hydraulic lifts and clutches for agricultural tractors, and planetary drive axles for agricultural tractors, and construction equipment including component parts, spare parts, frames, appliances, apparatus, tools, implements, stores, spares and all other items or things capable of being used in connection therewith or in the manufacture, maintenance or working thereof.*

2. *To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all kinds and classes of lubricating products, lubricants, lubricating compositions, lubricant oils, petroleum products, compositions, chemicals, chemical products, on retail as well as on wholesale basis in India or elsewhere and also to act as broker, trader., agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockiest, export house of the aforesaid products of all grades, specifications, descriptions, applications, modalities, fashions, including by-*

products, spares or accessories thereof and to do all things necessary, suitable or proper for the accomplishment of the said objects.

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years preceding the date of this Red Herring Prospectus.

Date of Shareholder's resolution	Particulars
August 28, 2014	Clause 5 of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 760,010,000 divided into 76,001,000 Equity Shares of face value of ₹ 10 each to ₹ 1,760,010,000 divided into 176,001,000 Equity Shares of face value of ₹ 10 each
June 26, 2017	Clause 3 of the Memorandum of Association was amended to insert Clause 3(a)(2): "*To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all kinds and classes of lubricating products, lubricants, lubricating compositions, lubricant oils, petroleum products, compositions, chemicals, chemical products, on retail as well as on wholesale basis in India or elsewhere and also to act as broker, trader., agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockiest, export house of the aforesaid products of all grades, specifications, descriptions, applications, modalities, fashions, including by-products, spares or accessories thereof and to do all things necessary, suitable or proper for the accomplishment of the said objects*"
	Clause 3(c) of the Memorandum of Association was deleted
July 4, 2024	Clause 1 of the Memorandum of Association was amended to reflect the change of name of our Company from 'Carraro India Private Limited' to 'Carraro India Limited'

Major events and milestones of our Company

The table below sets forth some of the major events in the history of our Company and our Subsidiary:

Calendar Year	Events
2014	Amalgamation of Turbo Gears India Private Limited with our Company
2016	Launch of steering axle applicable for 4-WD vehicle
2022	Launch of steering portal axle
2023	Launch of T135 transmission system
2024	Acquisition of 99.00% shareholding of Carraro Technologies India Private Limited

Key awards, accreditations and recognitions

The table below sets forth some of the key awards, accreditations and recognitions received by our Company.

Calendar Year	Key awards, accreditations and recognitions
2021	Received certificate of compliance with the requirements of UNI EN ISO 9001:2015 from TUV Italia S.r.l.
2022	'Pune Best Employer Brand Awards, 2022' at the 17th Employer Branding Awards 2022-23
	"Annual Commodity Award (Forging – Farm Division)" in recognition of superior performance at Mahindra Supplier Excellence Awards
2023	'National Best Employer Brand Awards, 2022' at the 18th Employer Branding Awards 2023-24
	'Decade of Dedication Award 2023' from Dynapac
	'Business Partner of the Year' at Mahindra Supplier Meet, 2023
	'Best SPD Performance – Farm Division' at Mahindra Supplier Awards
2024	'CSR Corporate Social Responsibility Award' from Manitou Equipment India
2024	'Maharashtra State Best Employer Brand Awards, 2024' at the 19th Employer Branding Awards

Significant financial and strategic partnerships

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

Launch of key products or services, entry in new geographies or exit from existing geographies

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the location of plants see "**– *Major events and milestones of our Company***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 247, 195 and 350 respectively.

Capacity/facility creation or location of plants

For details regarding capacity/facility creation and location of plants of our Company, see "***Our Business – Strengths - Technologically advanced manufacturing plants with large production capacities and in-house gear production capabilities***" on page 207.

Time/cost overrun

As on the date of this Red Herring Prospectus, there has been no time or cost over-run in respect of our business operations.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

As on the date of this Red Herring Prospectus, there has been no instance of rescheduling/ restructuring of borrowings with financial institutions/ banks.

Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale

As on the date of this Red Herring Prospectus, our Promoter Selling Shareholder has not provided any guarantees on behalf of our Company.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as disclosed below, 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 Red Herring Prospectus.

Acquisition of Carraro Technologies India Private Limited

Our Company entered into a share purchase agreement dated June 26, 2024 ("**SPA**") by and amongst our Company, one of our Corporate Promoters, Carraro International S.E. ("**Seller**") and Carraro Technologies India Private Limited ("**CTIPL**"). Prior to the acquisition of CTIPL by our Company, the Seller held 1,782,000 equity shares of face value of ₹ 10 each, of CTIPL aggregating to 99.00% of the issued and paid-up equity share capital of CTIPL ("**Sale Shares**"). Pursuant to the SPA, the Seller transferred the Sale Shares to our Company, for a consideration of ₹ 239.82 million on June 28, 2024. The consideration for such transaction was determined basis the valuation report dated June 20, 2024 issued by Rathi Rathi and Co., Chartered Accountants ("**Valuation Report**"). In accordance with the Valuation Report, the value per share of 1,800,000 equity shares of CTIPL was determined as ₹ 134.58, and the total consideration for the entirety of the issued and paid-up equity share capital of CTIPL was derived at ₹ 242.25 million. Accordingly, 99.00% of the issued and paid-up equity share capital of CTIPL was acquired by our Company at a proportionate consideration of ₹ 239.82 million.

For details in relation to the delay in filing of the relevant forms with the RBI in relation to the acquisition, see "***Risk Factors - We are unable to trace some of our historical records including forms filed with the RoC, and certain of our forms are undated and/ or unstamped and/or have factual discrepancy. Further, we have delayed in making certain regulatory filings required to be made with the RBI under applicable law. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard***" on page 49.

Details of the shareholder's agreement and other material agreements

Except as disclosed below, there are no other inter-se agreements or arrangements between our Shareholders, Promoters, deeds of assignment, acquisition agreements, shareholders' agreements or other agreements of a like nature, or agreements containing clauses/ covenants which are material, adverse or pre-judicial to the interest of the minority/public shareholders and which needs to be disclosed or no-disclosure of which may have a bearing

on the investment decision. As on the date of this Red Herring Prospectus, our Shareholders and our Promoters do not hold any special rights in our Company.

Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")

Our Company and one of our Corporate Promoters, Carraro S.p.A. have entered into the Trademark Agreement whereby Carraro S.p.A. has granted our Company non-exclusive, non-transferable, non-assignable royalty bearing license for, *inter alia,* usage of (i) Carraro S.p.A.'s corporate name "Carraro"; (ii) licensed identification marks of Carraro S.p.A.; (iii), the trademarks for our Company's motive power engineering business as registered internationally for Carraro S.p.A. in various configurations; (iv) identification of transmission, axles and relevant components and parts produced and/or sold by our Company; and (v) trademark on business notepaper, catalogues etc. Pursuant to the Trademark Agreement, our Company is required to pay Carraro S.p.A. a royalty of 0.6% per quarter of net sales (as defined under the Trademark Agreement) of products bearing the licensed identification marks. The Trademark Agreement was entered into for an initial period of three years with effect from April 1, 2013, subject to automatic renewal for the next three years unless terminated by either of the parties to the Trademark Agreement.

Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")

Our Company and one of our Corporate Promoters, Carraro S.p.A. have entered into the IP Assignment Agreement in relation to the assignment, transfer and conveyance by Carraro S.p.A. of all the intellectual property rights, title and interest of certain items pertaining to axles and transmissions assembly ("**IP**") from Carraro S.p.A. to our Company for a consideration of € 3,000,000. On and from October 1, 2023, our Company was granted worldwide exclusive rights, title and interest in the IP, solely and exclusively for manufacture and marketing of the relevant products (or any other products that may utilise the IP) in India or any other countries or jurisdictions where we may decide to manufacture or market such products.

Information technology support service Agreement dated September 1, 2019 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated January 7, 2020 ("IT Agreement")

Our Company and one of our Corporate Promoters, Carraro S.p.A. have entered into the IT Agreement in relation to provision of certain services of information technology by our Company, including, SAP/ERP support, IT support, ticket monitoring, server monitoring/ administration, PLM monitoring ("**IT Support Services**") to Carraro S.p.A., for a quarterly consideration of total cost incurred by our Company in performing the IT Support Services which includes direct expenses (including salary and travel cost of IT personnel engaged in the provision of IT Support Services), other expenses attributable to IT Support Services, general and administrative expenses calculated as 20% of salary cost, and an additional mark-up of 15.0% of the total cost as IT support.

Set forth below is the cost to the Company in relation to the IT Agreement for the six months ended September 30, 2024 and September 30, 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(*in ₹ million, except as provided otherwise*)

S. No.	Particulars	For the six months ended September 30		Fiscal 2024	Fiscal 2023	Fiscal 2022
		2024	2023			
1.	Yearly total of all costs of services*	4.54	4.76	8.27	11.80	8.82
2.	Mark up	15.00%	15.00%	15.00%	15.00%	15.00%
3.	Amount of mark up	0.68	0.72	1.24	1.77	1.32
4.	Final invoicing amount	5.22	5.48	9.51	13.57	10.14

** Services include salary/personnel expenses, travel costs, general and administrative costs and other indirect costs identified by our Company.*

Advisory services agreement entered into between one of our Corporate Promoters, Carraro S.p.A. and Carraro Drive Tech Italia S.p.A., Siap S.p.A., Driveservice S.r.l., Carraro Argentina S.A., Carraro North America Inc., Carraro Technologies India Private Limited, Carraro China Drive Systems Co. Limited and our Company (collectively, "Beneficiaries") ("Advisory Services Agreement")

Pursuant to the Advisory Services Agreement, Carraro S.p.A. renders certain advisory services to the Beneficiaries, including our Company and our Subsidiary, *inter alia*, (i) advice on technical assistance and support on the information technology systems, advice in the ERP implementation, use and maintenance; (ii) advice on finance, controlling, administration and legal matters (including on corporate reputation); (iii) advice on human resources, staff, organization activities; (iv) advice on quality assurance; and (v) other services connected or ancillary to the above activities, for a consideration based on actual costs incurred in performing such services increased by an arm's length markup by Carraro S.p.A. with effect from April 1, 2022 for the transactions with our Company and January 1, 2022 for the other Beneficiaries. The Advisory Services Agreement was entered into for an initial period of 12 months from April 1, 2022, subject to automatic renewal for the next 12 months unless terminated by the parties to the Advisory Services Agreement.

Set forth below is the cost to the Company in relation to the Advisory Services Agreement for the six months ended September 30, 2024 and September 30, 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(*in ₹ million*)

S. No.	Particulars (amounts paid to)	For the six months ended September 30,		Fiscal 2024	Fiscal 2023	Fiscal 2022
		2024	2023			
1.	Carraro S.p.A.	61.17	58.82	122.39	111.07	165.89
2.	Carraro Drive Tech Italia S.p.A.	28.00	29.89	63.39	22.24	154.21
	Total	**89.17**	**88.71**	**185.78**	**133.31**	**320.09**

Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")

Our Company and one of our Corporate Promoters, Carraro S.p.A., have entered into the Engineering Service Agreement which governs the supply of engineering services that Carraro S.p.A. will render in favour of our Company, including, the engineering design, development, testing and maintenance activities, developing and manufacturing of prototypes both related to final products whose intellectual property rights belong to our Company and on certain parts used by our Company whose intellectual property rights belong to Carraro S.p.A., subject to certain technical requirements. Pursuant to the Engineering Service Agreement, our Company is required to pay Carraro S.p.A. a service fee based on an annually confirmed man/hour rate. The Engineering Service Agreement was entered into for an initial period of three years from October 1, 2023, subject to automatic renewal for one year unless terminated by either of the parties to the Engineering Service Agreement.

Set forth below is the cost to our Company in relation to the Engineering Service Agreement for the six months ended September 30, 2024 and September 30, 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(*in ₹ million*)

S. No.	Particulars (amounts paid to)	For the six months ended September 30,		Fiscal 2024	Fiscal 2023	Fiscal 2022
		2024	2023			
1.	Carraro S.p.A.	Nil	Nil	60.44	NA	NA
	Total	**Nil**	**Nil**	**60.44**	**NA**	**NA**

Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")

Our Company and one of our Group Companies, Carraro Drive Tech Italia S.p.A., have entered into the Sub License Agreement whereby Carraro Drive Tech Italia S.p.A. has granted our Company the following rights (without the right to grant a sub license): (i) to manufacture certain licensed products identified in the Sub License Agreement under the licensed technology in accordance with the Sub License Agreement, (ii) to delegate to third parties the manufacturing of single parts, components or individual elements of the licensed products, subject to a confidentiality agreement with such third parties and in some cases subject to a prior consent from Carraro Drive Tech Italia S.p.A., and (iii) to sell the licensed products manufactured under the Sub License Agreement. Pursuant to the Sub License Agreement, our Company is required to pay Carraro Drive Tech Italia S.p.A. an annual royalty (*equal to a percentage of the sale price of any licensed products sold by us to a third party*), which shall be subject to revision annually, on an arm's length basis in accordance with the terms therein. For instance, our Company sold licensed products to a third party in Fiscal 2024 for a sale price of ₹111,250, and 3.5% (percentage as determined) of such sale price *i.e.*, ₹3,893.75 will be the royalty payable by our Company. The Sub License

Agreement was entered into for an initial period with effect from April 1, 2022 to December 31, 2023, subject to automatic renewal for one year unless terminated by either of the parties to the Sub License Agreement.

In addition to the above, in respect of its operations, our Company enters into various agreements from time to time with members of the Carraro Group, as described in "***Our Business***", "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 195, 25 and 350, respectively.

Agreements with Key Managerial Personnel, Senior Management, Promoters, Directors or any other employee

As on date of this Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel, Senior Management, Promoters or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Our holding company

As on the date of this Red Herring Prospectus, our holding company is Carraro International S.E. and Carraro S.p.A. is our ultimate holding company. For details with respect to Carraro International S.E., see "***Our Promoters and Promoter Group – Details of our Corporate Promoters – II. Carraro International S.E.***" on page 273.

Our Subsidiary

As on the date of this Red Herring Prospectus, our Company has one Subsidiary, details of which are provided below.

Further, as on the date of this Red Herring Prospectus, our Company does not have any associates or joint ventures.

Carraro Technologies India Private Limited

Corporate Information

Carraro Technologies India Private Limited ("**CTIPL**") was incorporated as a private limited company on June 14, 2006 under the Companies Act, 1956 with the RoC. Its CIN is U29248PN2006FTC129965, and its registered office is situated at B2/2, MIDC, Ranjangaon, Pune 412 220, Maharashtra, India.

Nature of business

CTIPL is authorized, under its memorandum of association, to engage in the business of, amongst others, designing, developing, manufacturing, installing, selling, purchasing or otherwise deal in *inter alia* mechanical transmissions, hydraulic lifts, clutches etc for agricultural tractors or construction equipment, and construction equipment including components parts.

Capital Structure

The authorised, issued and paid-up share capital of CTIPL is ₹ 18,000,000 divided into 1,800,000 equity shares of ₹ 10 each.

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of equity shares of ₹ 10 each	Percentage of equity shareholding (%)
1.	Carraro India Limited	1,782,000	99.00
2.	Carraro S.p.A.	18,000	1.00
	Total	**1,800,000**	**100.00**

Financial information

Certain key financial line items of CTIPL (as per its audited financial statements) are set forth below:

(*in ₹ million*)

Particulars	For the six months ended September 30,		For the Financial Year		
	2024	2023	2024	2023	2022
Revenue from operations	104.76	102.5	205.71	180.28	165.95
Reserves	77.1	150.88	68.99	138.37	120.4
Total income	108.38	108.13	216.36	188.83	170.61
Profit/(Loss) after tax	7.92	11.91	19.82	16.57	16.56
Profit/(Loss) after tax margin (%)	7.31%	11.01%	9.16%	8.78%	9.71%
Earnings per share (Basic) (in ₹)*	4.40	6.62	11.01	9.21	9.20
Earnings per share (Diluted) (in ₹)*	4.40	6.62	11.01	9.21	9.20

** Not annualized*

Amount of accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of CTIPL that have not been accounted for by our Company in the Restated Consolidated Financial Information.

Interest in our Company

Except as disclosed in "***Summary of the Offer Document – Summary of related party transactions***" on page 16 and an agreement dated October 1, 2023 entered into between our Subsidiary and our Company for providing R&D services to the Carraro Group, our Subsidiary does not have any business interest in our Company.

Common pursuits

As on the date of this Red Herring Prospectus, our Subsidiary is authorized to engage in similar business to that of our Company, and accordingly there may be common pursuits between our Company and out Subsidiary. However, there is no conflict of interest between our Company and our Subsidiary.

There is no conflict of interest between our Subsidiary and the lessors of immoveable properties, suppliers of raw materials and third party service providers, which are crucial for the operations of our Company.

OUR MANAGEMENT

In terms of the Companies Act, 2013 and the Articles of Association, our Company is authorised to have a minimum of three Directors and a maximum of 15 Directors. As on the date of this Red Herring Prospectus, our Board comprises nine Directors, of whom three are Executive Directors, three are Non-Executive Directors and three are Independent Directors, including one woman Independent Director.

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus:

Sr. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
1.	**Ettore Francesco Sequi** *Designation*: Chairman and Independent Director *Address:* Via dei Gracchi 6 INT 11, 00192 Roma RM Italy *Occupation*: Service *Date of birth:* February 13, 1956 *Term:* For a period of five years from August 9, 2024 *Period of Directorship:* Since August 9, 2024 *DIN:* 10734894	68	*Indian companies* Nil *Foreign companies* (i) Einstein Telescope EU (ii) Sace S.p.A. (iii) Sorgenia S.p.A.
2.	**Tomaso Carraro** *Designation*: Vice Chairman and Non-Executive Director *Address:* Vicolo Dei Dotto 1, Padova, Italy 35139 *Occupation*: Business *Date of birth:* April 23, 1966 *Term:* With effect from April 21, 2015, and liable to retire by rotation *Period of Directorship:* Since April 21, 2015 *DIN:* 00592312	58	*Indian companies* Carraro Technologies India Private Limited *Foreign companies* (i) Carraro China Drive System Co. Ltd (ii) Carraro Drive Tech Italia S.p.A. (iii) Carraro International S.E. (iv) Carraro North America Inc. (v) Carraro S.p.A. (vi) Finaid S.p.A. (vii) Siap S.p.A.
3.	**Balaji Gopalan** *Designation*: Managing Director *Address:* C 2/5 (16), Kumar Palmsprings, NIBM, Corinthin Club Road, Undri, Pune 411 060, Maharashtra, India *Occupation*: Business *Date of birth:* May 26, 1968 *Term:* For a period of five years with effect from February 4, 2021 *Period of Directorship:* Since April 21, 2015 *DIN:* 07108093	56	*Indian companies* Carraro Technologies India Private Limited *Foreign companies* Nil
4.	**Davide Grossi** *Designation*: Whole-time Director and Chief Financial Officer *Address:* Apartment #2, Miraya, Plot #1, Serial #211/2D, Lane 7B, Kalyani Nagar, Pune 411 006, Maharashtra, India *Occupation*: Service *Date of birth:* February 8, 1987	37	*Indian companies* Bhavani Synchrotech Private Limited *Foreign companies* Nil

Sr. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
	Term: For a period of five years with effect from August 9, 2024 *Period of Directorship:* Since August 9, 2024 *DIN:* 10252992		
5.	**Sudhendra Mannikar** *Designation*: Whole-time Director and Chief Operating Officer *Address:* Flat No. 711, Iris-1, Clover Acropolis, Viman Nagar, Pune City, Dukirkline, Pune 411 014, Maharashtra, India *Occupation*: Business *Date of birth:* September 29, 1970 *Term:* For a period of five years from March 21, 2021 *Period of Directorship:* Since April 5, 2016 *DIN:* 07483321	54	*Indian companies* Nil *Foreign companies* Nil
6.	**Enrico Gomiero** *Designation*: Non-Executive Director *Address:* Via E Degli Scrovegni, 7, Padua, Italy 35131 *Occupation*: Service *Date of birth:* October 27, 1958 *Term:* Since June 6, 1997, and liable to retire by rotation *Period of Directorship:* Since June 6, 1997 *DIN:* 00588074	66	*Indian companies* Carraro Technologies India Private Limited *Foreign companies* (i) Carraro Argentina S.A. (alternate director) (ii) Carraro Drive Tech Italia S.p.A. (iii) Carraro Finance S.A. (iv) Carraro International S.E. (v) Carraro North America Inc. (vi) Carraro S.p.A. (vii) Fer Holding S.r.l (viii) Go&Co S.r.l (ix) Siap S.p.A. (x) Tecnostrutture S.r.l
7.	**Andrea Conchetto** *Designation*: Non-Executive Director *Address:* P.le Giuseppe Giusti 8, Vicenza, Italy, 36100 *Occupation*: Professional *Date of birth:* August 2, 1970 *Term:* Since July 3, 2024 *Period of Directorship:* Since July 3, 2024 *DIN:* 10669692	54	*Indian companies* Nil *Foreign companies* (i) Carraro Argentina S.A. (ii) Carraro China Drive System Co. Ltd. (iii) Carraro Drive Tech Italia S.p.A. (iv) Carraro North America Inc. (v) Carraro S.p.A. (vi) Driveservice S.r.l. (vii) Siap S.p.A.
8.	**Uma Mandavgane** *Designation*: Independent Director *Address:* 504, Sai Sharan, 5th Floor, N.C. Kelkar Road, Dadar West, Mumbai 400 028, Maharashtra, India *Occupation*: Professional	57	*Indian companies* (i) Aegis Vopak Terminals Limited (ii) Bloom Systems Private Limited (iii) Quantum Asset Management Company Private Limited

Sr. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
	Date of birth: January 2, 1967 *Term:* For a period of five years from July 3, 2024 *Period of Directorship:* Since July 3, 2024 *DIN:* 03156224		(iv) SAT Industries Limited *Foreign companies* Nil
9.	**Kishore Saletore** *Designation*: Independent Director *Address:* One North, Tower A 1902, Zeon S.No. 133 (P), 136 (P), 137 (P), Hadapsar (n.v), Pune 411 028, Maharashtra, India *Occupation*: Service *Date of birth:* September 4, 1966 *Term:* For a period of five years from July 3, 2024 *Period of Directorship:* Since July 3, 2024 *DIN:* 01705850	58	*Indian companies* Kalyani Strategic Systems Limited *Foreign companies* Nil

Brief profiles of our Directors

Ettore Francesco Sequi is the Chairman and Independent Director of our Company. He holds a pre-reform degree in political science from the University of Cagliari. He is also serves as the national representative of Italy within the Board of Government Representatives of the Einstein Telescope Infrastructure. He has over 37 years of experience in the field of foreign affairs. He was previously associated with the Ministry of Foreign Affairs and International Cooperation, Italy in various capacities from 1985 to 2023.

Tomaso Carraro is our Vice Chairman and Non-Executive Director of our Company. He is also one of the Promoters of our Company. He has been associated with the Company since April 21, 2015. He holds a master's degree in business administration from the Graduate School of Business, University of Chicago. He has over 26 years of experience in the manufacturing sector. He is currently associated with various entities in the Carraro Group, including Carraro China Drive Systems Co. Ltd, Carraro Drive Tech Italia S.p.A., Carraro International S.E., Carraro S.p.A., Carraro North America Inc. and Siap S.p.A. and was previously associated with Gear World S.p.A.

Balaji Gopalan is the Managing Director of our Company. He has been associated with the Company since September 1, 1998. He holds a degree of doctor of philosophy in human resource management from the University of Pune. He has over 25 years of experience in the manufacturing sector.

Davide Grossi is the Whole-time Director and Chief Financial Officer of our Company. He holds an undergraduate degree in business administration from Bocconi University and a masters' degree of science in accounting, corporate finance, and control from Bocconi University. He has 13 years of experience in the field of finance. He was previously associated with Alten Sverige AB as the chief financial officer, Nordics, Isagro (Asia) Agrochemicals Pvt. Ltd. in various capacities, and Deloitte & Touche S.p.A.

Sudhendra Mannikar is the Whole-time Director and Chief Operating Officer of our Company. He has been associated with our Company since August 2, 1999. He holds a bachelor's degree in engineering (production) from University of Pune and a masters' degree in business administration from Savitribai Phule Pune University. He has over 25 years of experience in the field of supply chain, purchase and operations. He was previously associated with Essar Projects Limited.

Enrico Gomiero is a Non-Executive Director of our Company. He holds a diploma of accountant and commercial expert from the Technical Institute for Commercials and Surveyors of Padua. He is currently associated with various entities in the Carraro Group, including Carraro S.p.A., Carraro Drive Tech Italia S.p.A., Carraro Finance S.A., Carraro International S.E., and Siap S.p.A. He has over 29 years of experience in the manufacturing sector. He was also previously associated with Carraro S.p.A. in his capacity as a manager.

Andrea Conchetto is a Non-Executive Director of our Company. He holds a diploma in electrotechnical engineering from the University of Padua. He is currently associated with the Carraro Group, including Carraro

S.p.A., Carraro Drive Tech Italia S.p.A., Carraro China Drive Systems Co. Ltd, and Siap S.p.A. He has over 23 years of experience in the manufacturing sector. He was previously associated with AEG Electric Motors as a commercial-technical engineer and with Carraro S.p.A. as a manager.

Uma Mandavgane is an Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Mumbai. She is a member of the Institute of Chartered Accountants of India and a certified information systems auditor. She is currently associated with Azzure Advisory & Consulting Services LLP as its designated partner. She has over 14 years of experience in the field of advisory and consulting. She was previously associated with Deloitte Touche Tohmatsu India Private Limited in the capacity of a manager in the enterprise risk services department.

Kishore Saletore is an Independent Director of our Company. He is an associate at the Institute of Chartered Accountants of India. He has over 11 years of experience in the field of finance. He was previously associated with Bharat Forge as the group chief financial officer and TATA Realty and Infrastructure Limited as the chief financial officer.

Relationship between Directors, Key Managerial Personnel and Senior Management

None of our Directors, Key Managerial Personnel and Senior Management are related to each other.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Director have been appointed.

Terms of Appointment of Directors

Terms of appointment of our Managing Director

Balaji Gopalan

Balaji Gopalan has been appointed as a Managing Director of our Company with effect from February 4, 2021 for a period of five years, pursuant to a resolution passed by our Board on February 4, 2021. Pursuant to the resolutions passed by our Board on August 19, 2024 and our Shareholders on August 20, 2024, Balaji Gopalan is entitled to the following remuneration and perquisites for Fiscal 2025:

Particulars	Amount
Basic salary (*including allowances*)	₹ 18.16 million per annum
Monthly incentive performance bonus	₹ 1.08 million per annum
Perquisites (*including leave travel allowance, provident fund contribution, gratuity and vehicle*[#])	₹ 1.86 million per annum
Variable pay (*in accordance with policies of the Company and Carraro Group*)	₹ 11.75 million per annum
Management fees	Euro 60,000[*] per annum

[*] *Payable on the last day of the salary month in ₹ based on the forex value as on that date*
[#] *He is also entitled to an additional amount of ₹ 1.08 million as per the Company's policies in relation to vehicle ownership and/ or leasing for employees*

Terms of appointment of our Whole-time Directors

Sudhendra Mannikar

Sudhendra Mannikar has been appointed as a Whole-time Director of our Company with effect from March 15, 2021 for a period of five years, pursuant to a resolution passed by our Board on March 15, 2021. Pursuant to the resolutions passed by our Board on August 19, 2024 and by our Shareholders on August 20, 2024, Sudhendra Mannikar is entitled to the following remuneration and perquisites for Fiscal 2025:

Particulars	Amount
Basic salary (*including allowances*)	₹ 12.46 million per annum
Monthly incentive performance bonus	₹ 1.08 million per annum
Perquisites (*including leave travel allowance, provident fund contribution, gratuity and vehicle*[#])	₹ 1.39 million per annum
Variable pay (*in accordance with policies of the Company and Carraro Group*)	₹ 7.94 million per annum
Management fees	Euro 50,000[*] per annum

[*] *Payable on the last day of the salary month in ₹ based on the forex value as on that date*

[#] *In accordance with the Company's policies in relation to vehicle ownership and/ or leasing for employees*

Davide Grossi

Davide Grossi has been appointed as a Whole-time Director of our Company with effect from August 9, 2024 for a period of five years, pursuant to a resolution passed by our Board on August 9, 2024. Further, he has also been appointed as the Chief Financial Officer of our Company with effect from August 2, 2024, pursuant to a resolution passed by our Board on August 9, 2024.

Pursuant to appointment letter dated August 2, 2024, read with addendum dated August 19, 2024, and the resolutions passed by our Board on August 19, 2024 and by our Shareholders on August 20, 2024, Davide Grossi is entitled to the following remuneration for Fiscal 2025:

Particulars	Amount
Remuneration	Euro 143,000[(1)][*] gross salary per annum
Variable performance pay	Euro 62,500[*] per annum (payable monthly)
Deferred retention salary	Euro 20,000[*] per annum[#] (for a period of continuous three years)
Perquisites	Customary perquisites, including, accommodation (*maximum rent of ₹ 200,000 per month*), telephone/ broadband at residence, vehicle, travel allowances, insurance, medical hospitalisation coverage and relocation allowance
Management fees	Euro 70,000[*] per annum (paid bi-annually)

[(1)] *Inclusive of employer-employee provident fund contribution and applicable tax, in accordance with applicable law.*
[*] *Payable on the last day of the salary month, as applicable, in ₹ based on the forex value as on that date.*
[#] *Post completion of 36 months of service, and payable in the 37th month.*

Terms of appointment of our Non-Executive Directors and Independent Directors

Pursuant to the resolution passed by our Board dated August 19, 2024, our Non-Executive Directors are entitled to receive the following fees for Fiscal 2025:

Name of Director	Fees[#]
Tomaso Carraro	Euro 65,500[*] per annum
Andrea Conchetto	Euro 60,000[*] per annum
Enrico Gomiero	Euro 50,000[*] per annum

[*] *Payable proportionately on the last day of the salary month in ₹ based on the proportionate forex value as on that date.*
[#] *Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 million for each meeting of the Board and its committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) management fees payable to such Directors*

Pursuant to the resolution passed by our Board dated August 19, 2024, our Independent Directors are entitled to receive the following fees and commission in Fiscal 2025:

Name of Director	Sitting fees and profit-linked commission[#]
Ettore Francesco Sequi	Euro 80,000[*] per annum
Uma Mandavgane	Euro 80,000[*] per annum
Kishore Saletore	Euro 80,000[*] per annum

[*] *Payable proportionately on the last day of the salary month in ₹ based on the proportionate forex value as on that date.*
[#] *Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 million for each meeting of the Board and its committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) profit-linked commission which shall be 2% of net profits of the Company for the respective financial year, in accordance with Sections 149 and 197 of the Companies Act, 2013, and other applicable law.*

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Fiscal 2024 are set forth below:

Remuneration to our executive directors

Name of Director	Amount paid for Fiscal 2024[#] (in ₹ million)
Balaji Gopalan	27.75
Sudhendra Mannikar	17.94
Davide Grossi	7.69[*]

[*] *In his capacity as the chief financial officer of the Company from February 8, 2023 to September 30, 2023.*

Excludes any reimbursements and/ or gratuity which forms part of the remuneration of the director.

Remuneration to our Non-Executive Directors and Independent Directors

Our Non-Executive Directors were not paid any remuneration in Fiscal 2024. Further, our Independent Directors were appointed in Fiscal 2025, and accordingly no sitting fees or commission or remuneration was paid by our Company to our Independent Directors for Fiscal 2024.

Remuneration paid or payable from our Subsidiary

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from our Subsidiary, including any contingent or deferred compensation accrued for Fiscal 2024.

Bonus or profit sharing plan for our Directors

Except as stated in "***- Terms of Appointment of Directors***" above, none of our Directors are party to any bonus or profit-sharing plan of our Company.

Shareholding of our Directors in our Company

Except as disclosed in "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company"*** on page 103, none of our Directors hold any Equity Shares in our Company as on the date of this Red Herring Prospectus. As per our Articles of Association, our Directors are not required to hold any qualification shares.

Contingent and deferred compensation payable to our Directors

Except as stated above in "***- Terms of Appointment of Directors***" above, there is no contingent or deferred compensation which is payable to our Directors for Fiscal 2024, which did not form part of their remuneration during Fiscal 2024.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interests of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For further details, see "***– Terms of Appointment of Directors***" above.

Our Directors may be interested to the extent of Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. For further details regarding the shareholding of our Directors, see "***Capital Structure – Notes to Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 103.

Certain of our Directors may be deemed to be interested in the agreements/ arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they are a member or in which they hold directorships or any partnership firm in which they are a partner. For further details, please see "***History and Certain Corporate Matters - Details of the shareholder's agreement and other material agreements***", and "***Summary of the Offer Document – Summary of related party transactions***" on page 248 and 16, respectively.

Interest in land and property

None of our Directors are interested in any property acquired or proposed to be acquired of or by our Company.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

There is no conflict of interest between the lessors of immoveable properties, suppliers of raw materials and third party service providers, which are crucial for the operations of our Company, and our Directors.

Interest in promotion or formation of our Company

Except Tomaso Carraro, Vice Chairman and Non-Executive Director, who is also one of our Promoters along with Enrico Gomiero, Non-Executive Director, who are directors of our Corporate Promoters, and Andrea Conchetto who is a director of Carraro S.p.A., one of our Corporate Promoters, none of our Directors have an interest in the promotion of our Company, as on the date of this Red Herring Prospectus.

Confirmations

None of our Directors are, or for the five years prior to the date of this Red Herring Prospectus, have been on the board of directors of any listed company whose shares have been/ were suspended from being traded on any stock exchange during the term of his/her directorship in such company.

None of our Directors have been or are directors on the board of any listed company which is or has been delisted from any Stock Exchange during the term of their directorship in such companies.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

None of our Independent Directors are related to our Promoters, members of the Promoter Group, other Directors, Key Managerial Personnel and related parties of our Company (as defined under Section 2(76) of the Companies Act).

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Davide Grossi	August 9, 2024	Appointment as Whole-time Director
Ettore Francesco Sequi	August 9, 2024	Appointment as Chairman and Independent Director
Andrea Conchetto	July 3, 2024[*]	Appointment as a Non-Executive Director
Kishore Saletore	July 3, 2024[*]	Appointment as an Independent Director
Uma Mandavgane	July 3, 2024[*]	Appointment as an Independent Director

[*] *The appointments were regularised by our Shareholders pursuant to their resolution dated August 20, 2024.*

Borrowing Powers

In accordance with the our Articles of Association, and pursuant to resolutions passed by our Board on August 19, 2024 and our Shareholders on August 20, 2024, our Board is authorised to borrow, from time to time, any sum of money, which together with money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the bankers to the Company in its ordinary course of business) exceeding the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, *i.e.*, reserves not set apart for any specific purpose, provided that the aggregate of the amount so borrowed by the Company shall not exceed ₹ 10,000.00 million.

Corporate Governance

Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act, 2013.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Risk Management Committee; and

(e) Corporate Social Responsibility Committee.

Audit Committee

The Audit Committee was constituted pursuant to a resolution passed by our Board at its meeting held on July 3, 2024, and last re-constituted pursuant to a resolution passed by our Board at its meeting held on August 9, 2024. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Uma Mandavgane	Chairperson
2.	Kishore Saletore	Member
3.	Davide Grossi	Member

Scope and terms of reference:

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation to the board of directors of the Company (the "**Board**" or "**Board of Directors**") for appointment, re-appointment, replacement, remuneration and other terms of appointment of statutory auditors of the Company;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

b. changes, if any, in accounting policies and practices and reasons for the same;

c. major accounting entries involving estimates based on the exercise of judgment by

management;

d. significant adjustments made in the financial statements arising out of audit findings;

e. compliance with listing and other legal requirements relating to financial statements;

f. disclosure of any related party transactions; and

g. modified opinion(s) in the draft audit report.

(5) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval of any subsequent modification 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 the conditions as may be prescribed;

i. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;

ii. Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;

iii. Review of transactions pursuant to omnibus approval;

iv. Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(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) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow-up thereon;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(19) reviewing the functioning of the whistle blower mechanism;

(20) monitoring the end use of funds raised through public offers and related matters;

(21) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(22) approval of appointment of chief financial officer (*i.e.*, the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(23) reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary(/ies) exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;

(24) review the financial statements, in particular, the investments made by any unlisted subsidiary;

(25) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(26) approving the key performance indicators ("**KPIs**") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and

(27) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board at its meeting held on July 3, 2024, and last re-constituted pursuant to a resolution passed by our Board at its meeting held on August 9, 2024. The composition and the terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Kishore Saletore	Chairperson
2.	Ettore Francesco Sequi	Member
3.	Tomaso Carraro	Member
4.	Andrea Conchetto	Member

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

(2) For every appointment of an independent director, the Nomination and Remuneration 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 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 performance of independent directors and the Board;

(4) Devising a policy on Board diversity;

(5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(6) Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

(7) Analysing, monitoring and reviewing various human resource and compensation matters;

(8) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(9) 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;

(10) Recommending to the Board, all remuneration, in whatever form, payable to senior management;

(11) The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:

(a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(12) Performing such functions as are required to be performed under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

(a) administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the "**Plan**");

(b) determining the eligibility of employees to participate under the Plan;

(c) granting options to eligible employees and determining the date of grant;

(d) determining the number of options to be granted to an employee;

(e) determining the exercise price under the Plan; and

(f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

(13) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as

amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(14) Carrying out any other activities as may be delegated by the Board, functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board at its meeting held on August 19, 2024. The composition and terms of reference of the Stakeholders' Relationship Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Kishore Saletore	Chairperson
2.	Uma Mandavgane	Member
3.	Enrico Gomiero	Member

Scope and terms of reference:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by under applicable law, the following:

(1) considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;

(2) resolving the grievances of the security holders of the Company including complaints related to allotment, transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

(3) giving effect to allotment of equity shares, approval of transfer or transmission of equity shares, debentures or any other securities;

(4) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

(5) review of measures taken for effective exercise of voting rights by shareholders;

(6) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

(7) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

(8) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted pursuant to a resolution passed by our Board at its meeting held on March 16, 2015, and last re-constituted pursuant to a resolution passed by our Board at its meeting held on August 9, 2024. The composition and terms of reference of the Corporate Social Responsibility Committee are in compliance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Tomaso Carraro	Chairperson
2.	Ettore Francesco Sequi	Member
3.	Balaji Gopalan	Member
4.	Sudhendra Mannikar	Member
5.	Davide Grossi	Member

Scope and terms of reference:

The Corporate Social Responsibility Committee shall be responsible for, among other things, as may be required by under applicable law, the following:

(1) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, and the rules made thereunder, each as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

(2) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(3) monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time;

(4) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(5) the Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

i. the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;

ii. the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act, 2013;

iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

iv. monitoring and reporting mechanism for the projects or programmes; and

v. details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its Corporate Social Responsibility Committee, based on the reasonable justification to that effect; and

(6) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted pursuant to a resolution passed by our Board at its meeting held on August 19, 2024. The composition and terms of reference of the Risk Management Committee are in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

S. No.	Name of our Director	Designation
1.	Uma Mandavgane	Chairperson
2.	Andrea Conchetto	Member
3.	Davide Grossi	Member
4.	Balaji Gopalan	Member

Scope and terms of reference:

The Risk Management Committee shall be responsible for, among other things, as may be required by under applicable law, the following:

(1) Review, assess and formulate the risk management system and policy of the Company from time to time and recommend for an amendment or modification thereof, which shall include:

  (a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

  (b) measures for risk mitigation including systems and processes for internal control of identified risks; and

  (c) business continuity plan;

(2) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

(5) Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

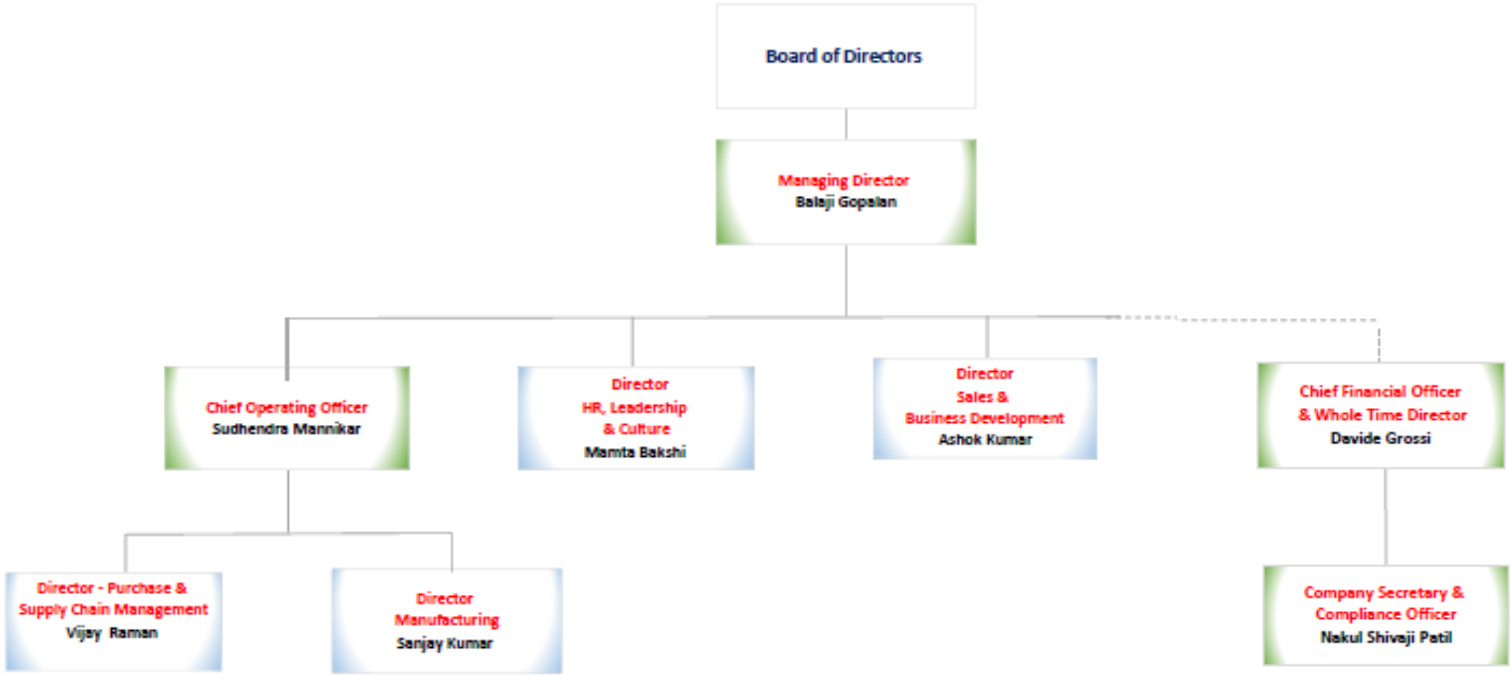
(7) To implement and monitor policies and/or processes for ensuring cyber security;

(8) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and

(9) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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Management Organization Chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

The details of the Key Managerial Personnel, as of the date of this Red Herring Prospectus are as follows:

In addition to Balaji Gopalan, our Managing Director, Sudhendra Mannikar, our Whole-time Director and Chief Operating Officer, and Davide Grossi, our Whole-time Director and Chief Financial Officer, whose details are provided in "***Brief Profiles of our Directors***" above, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are set forth below:

Nakul Shivaji Patil is the Company Secretary, Compliance Officer and Assistant General Manager – CS, Legal & Compliance of our Company. He has been associated with our Company since November 11, 2024 as the Assistant General Manager – CS, Legal & Compliance. He is responsible for managing secretarial matters and ensuring statutory and regulatory compliance of our Company. He has a bachelor's degree in computer applications from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. He is an associate member of the Institute of Company Secretaries of India. He was previously associated with Apex Fund Services LLP as assistant vice president – corporate solutions, Belrise Industries as a company secretary and compliance officer and senior manager (secretarial and legal), Avantis Regtech Private Limited as secretarial product manager, Endurance Technologies Limited as assistant manager-corporate legal and secretarial, Jaya Hind Industries Limited as assistant manager and Badve Engineering Limited as company secretary. He has over 10 years of experience in secretarial compliance functions. Since he joined our Company on December 2, 2024 as the Company Secretary and Compliance Officer, he did not receive any compensation in Fiscal 2024.

Senior Management

In addition to our Chief Financial Officer, and our Company Secretary and Compliance Officer who are also our Key Managerial Personnel and whose details have been disclosed above, the details of our Senior Management as on the date of this Red Herring Prospectus are set forth below.

Mamta Bakshi is the Director of HR, Leadership & Culture of our Company. She has been associated with our Company since April 10, 2023. She is responsible for the human resources operations, leadership development, and ensuring strong industrial relations of our Company. She holds a bachelor's degree in science from the Hemwati Nandan Bahuguna Garhwal University and a post graduate diploma in management (executive) from the Institute of Management Technology, Ghaziabad. She was previously associated with Kellogg India Private Limited, HCL Infosystems Limited, Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd., Coromandel International Limited and Continental Automotive Brake Systems India Pvt. Ltd. She has also served in the Indian Army as a captain. In Fiscal 2024, she received an aggregate compensation of ₹ 7.65 million from our Company.

Ashok Kumar is the Director of Sales & Business Development of our Company. He has been associated with our Company since August 12, 2010. He is responsible for undertaking the business expansion of our Company. He holds a bachelor's degree in mechanical engineering from the Thapar Institute of Engineering and Technology, Patiala and a post graduate master's programme in international business from the Symbiosis Institute of International Business (SIIB), Pune. He was previously associated with The Shipping Corporation of India Ltd., Rane (Madras) Limited and Voith Turbo Private Limited. In Fiscal 2024, he received an aggregate compensation of ₹ 9.27 million from our Company.

Vijay Raman is the Director of Purchase & Supply Chain Management of our Company. He has been associated with our Company since September 1, 2022. He is responsible for monitoring the direct and indirect material consumption, managing the overall quality of the suppliers and maintaining the overall cost reduction of our Company. He holds a bachelor's degree in mechanical engineering from the University of Madras, a master's degree in mechanical engineering from Oklahoma State University and a master's degree in business administration from the University of Michigan. He was previously associated with AAM Services India Pvt. Ltd. and Minda Management Services Limited. In Fiscal 2024, he received an aggregate compensation of ₹ 10.11 million from our Company.

Sanjay Kumar is the Director of Manufacturing of our Company. He has been associated with our Company since July 2, 2004. He is responsible for ensuring the overall equipment effectiveness, and initiation of cost reduction projects of our Company. He holds a bachelor's degree in engineering from Bharathidasan University. He was previously associated with RSB Transmissions (I) Ltd as senior manager (projects). In Fiscal 2024, he received an aggregate compensation of ₹ 9.10 million from our Company.

Status of Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Relationship between Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are related to each other.

Bonus or profit sharing plan for the Key Managerial Personnel and Senior Management

Except as disclosed above under "***Our Management - Terms of appointment of our Managing Director***" and performance based incentives, none of our Key Managerial Personnel or Senior Management are party to any bonus or profit-sharing plan of our Company.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as disclosed in "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 103, none of our Key Managerial Personnel or Senior Management hold any Equity Shares in our Company as on the date of this Red Herring Prospectus.

Service Contracts with Key Managerial Personnel and Senior Management

Our Company has not entered into any service contracts, pursuant to which its Key Managerial Personnel or Senior Management are entitled to benefits upon termination of employment, except statutory benefits such as gratuity available to them as part of their terms of appointment.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Senior Management, which accrued in Fiscal 2024.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel or Senior Management of our Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interests of Key Managerial Personnel and Senior Management

Other than as provided in "– ***Interests of Directors***" above and to the extent of reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management do not have any interests in our Company.

There is no conflict of interest between the lessors of immoveable properties, suppliers of raw materials and third party service providers, which are crucial for the operations of our Company, and our Key Managerial Personnel and Senior Management.

Changes in Key Managerial Personnel or Senior Management during the last three years

The changes in our Key Managerial Personnel or Senior Management during the three years immediately preceding the date of this Red Herring Prospectus are set forth below:

Name	Date	Reason
Nakul Shivaji Patil	December 2, 2024	Appointment as Company Secretary
Jui Bhargave	October 17, 2024	Resignation as company secretary
Davide Grossi	August 2, 2024	Appointment as Chief Financial Officer
Matteo Bonino	August 2, 2024	Resignation as chief financial officer
Matteo Bonino	July 3, 2024	Appointment as chief financial officer
Davide Grossi	September 30, 2023	Resignation as chief financial officer
Jui Bhargave	April 3, 2023	Appointment as company secretary
Davide Grossi	February 1, 2023	Appointment as chief financial officer
Rakhi Makhloga	January 13, 2023	Resignation as company secretary

Employee stock option and stock purchase schemes

Our Company does not have any employee stock option scheme as on the date of this Red Herring Prospectus.

Payment or benefit to Key Managerial Personnel and Senior Management of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Tomaso Carraro, Enrico Carraro, Carraro S.p.A. and Carraro International S.E., are the Promoters of our Company. As on the date of this Red Herring Prospectus, our Corporate Promoters hold an aggregate of 56,851,532 Equity Shares of face value of ₹ 10 each, comprising 99.99% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see "***Capital Structure – Notes to Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding – Build-up of Promoters' shareholding in our Company***" on page 96.

Details of our Individual Promoters



Tomaso Carraro

Tomaso Carraro, born on April 23, 1966, aged 58 years, is the Vice Chairman and Non-Executive Director of our Company. He is a citizen of Italy and currently resides at Vicolo Dei Dotto 1, Padova, Italy 35139.

For the complete profile of Tomaso Carraro, along with the details of his educational qualifications, experience in the business, positions/ posts held in past, directorships in other entities, other ventures, special achievements, and business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 255.

His PAN is BBVPC0034R.



Enrico Carraro

Enrico Carraro, born on April 17, 1962, aged 62 years, is a citizen of Italy. He currently resides at Via Mantegna 2A, Padova, Italy 35121.

He holds a diploma of applied art in architecture furnishing design from the Institute of Art of Padua. He has experience in the gears manufacturing sector and serves as the chairman of Carraro S.p.A. and Carraro International S.E. and is currently the president of Confindustria Veneto and executive director of Finaid S.p.A.

His PAN is BBOPC7378D.

Our Company confirms that the PAN, bank account number, passport numbers and driving license numbers of our Individual Promoters was submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus. Further, our Individual Promoters, being citizens of Italy, do not possess Aadhar cards.

Details of our Corporate Promoters

I. Carraro S.p.A.

Corporate Information:

Carraro S.p.A. was incorporated on December 6, 1960 under the laws of Italy. Carraro S.p.A. is registered in the Companies Registry of Padua (Registro delle Imprese di Padova) under registration number and fiscal code 00202040283 and its LEI number is 815600F3EC59FFEC6594. The PAN of Carraro S.p.A. is AADCC9427F. Carraro S.p.A. is primarily engaged in the business of designing, manufacturing and marketing of drivetrain

components and systems for original equipment manufacturers for use mainly in connection with agricultural, construction and industrial applications. Carraro S.p.A. became a publicly traded company on the Milan Stock Exchange on December 27, 1995, and was subsequently delisted on August 6, 2021. There have been no changes to the primary business activities undertaken by Carraro S.p.A.

The registered and administrative office of Carraro S.p.A. is currently Via Olmo, 37, 35011, Campodarsego (PD), Italy.

Shareholding pattern of Carraro S.p.A.

The following table sets forth details of the shareholding pattern of Carraro S.p.A., as on the date of this Red Herring Prospectus:

S. No.	Name of Shareholder	Number of shares	Percentage of shareholding (%)
1.	Finaid S.p.A.	28,216,036	48.33
2.	Julia Dora Koranyi Arduini	21,630,256	37.05
3.	Enrico Carraro and Tomaso Carraro[*]	5,912,275	10.13
4.	Carraro S.p.A. (treasury shares)	2,626,988	4.50

[*] *Mario Carraro holds usufruct and voting rights in extraordinary general meetings (through Enrico Carraro and Tomaso Carraro) with respect to 3,774,640 shares aggregating to 6.46% of the shareholding. Further, Enrico Carraro and Tomaso Carraro hold full ownership and voting rights of 2,137,635 shares aggregating to 3.66% of the shareholding.*

Financial information

Certain key financial line items of Carraro S.p.A. are set forth below:

(in € million, unless otherwise mentioned)

Particulars	For the CY		
	2023	2022	2021
Revenue from operations	248.86	164.54	165.93
Reserves	23.38	23.34	24.70
Total income	248.86	164.54	165.93
Profit/(Loss) after tax	8.17	1.53	11.43
Profit/(Loss) after tax margin (%)	3.28%	0.93%	6.89%
Earnings per share (Basic) (in €)	0.14	0.03	0.14
Earnings per share (Diluted) (in €)	0.14	0.03	0.14

Board of directors of Carraro S.p.A.

The board of directors of Carraro S.p.A. as on the date of this Red Herring Prospectus are as under:

1. Enrico Carraro;
2. Tomaso Carraro;
3. Andrea Conchetto;
4. Enrico Gomiero;
5. Virginia Carraro;
6. Riccardo Arduini; and
7. Alessandro Giuliani.

Details of the promoter of Carraro S.p.A.

Our Individual Promoters, Tomaso Carraro and Enrico Carraro jointly exercise control over Carraro S.p.A.

Details of change in control of Carraro S.p.A.

Carraro S.p.A. became a publicly traded company on the Milan Stock Exchange on December 27, 1995, and was subsequently delisted on August 6, 2021. There has been no change in the control of Carraro S.p.A. in the three years preceding the date of this Red Herring Prospectus.

Our Company confirms that the PAN, bank account number, corporate registration number of Carraro S.p.A. and address of the Chamber of Commerce, Industry, Handicrafts and Agriculture of Padova where Carraro S.p.A. is registered was submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

II. Carraro International S.E.

Corporate Information

Carraro International S.E. was originally incorporated in Luxembourg on February 10, 1999, as a "Société Anonyme", for an unlimited period, under the laws of the Grand Duchy of Luxembourg and, on December 21, 2017, was transformed into a "Société Européenne", governed by European Regulation no. 2157/2001. Further, pursuant to shifting of registered office of Carraro International S.E. from Grand Duchy of Luxembourg to the Republic of Italy, it is currently operating under the laws of Italy. Carraro International S.E. is registered in the Companies Registry of Padua (Registro delle Imprese di Padova) under registration number and fiscal code 92198680289 and its LEI number is 529900Q1IS0EMFQKI046. The PAN of Carraro International S.E. is AADCC9972F. Carraro International S.E. is primarily engaged in the business as a holding company for investment purposes. Except for the transfer of the business unit of Carraro International S.E. relating to its financial management and treasury activities to Carraro Finance S.A. with effect from February 1, 2021, there have been no changes to the primary business activities undertaken by Carraro International S.E.

The registered and administrative office of the Carraro International S.E. is currently Via Olmo, 37, 35011, Campodarsego (PD), Italy.

Shareholding pattern of Carraro International S.E.

The following table sets forth details of the shareholding pattern of Carraro International S.E., as on the date of this Red Herring Prospectus:

S. No.	Name of Shareholder	Number of shares bearing face value of € 1,000 each	Percentage (%) of shareholding
1.	Carraro S.p.A.	13,500	100.00

Financial information

Certain key financial line items of Carraro International S.E. are set forth below:

(in € million, unless otherwise mentioned)

Particulars	For the CY		
	2023	2022	2021
Revenue from operations	-	-	0.02
Reserves	3.73	3.64	3.64
Total income	-	-	0.02
Profit/(Loss) after tax	2.38	1.88	(1.14)
Profit/(Loss) after tax margin (%)	-	-	(4,926.83)%
Earnings per share (Basic) (in €)	176.28	139.15	84.25
Earnings per share (Diluted) (in €)	176.28	139.15	84.25

Board of directors of Carraro International S.E.

The board of directors of Carraro International S.E. as on the date of this Red Herring Prospectus are as under:

1. Enrico Carraro;
2. Tomaso Carraro;
3. Enrico Gomiero;
4. Francesco Sabattini;
5. Susanna Galesso; and
6. Antonio Guarnieri.

Details of the promoter of Carraro International S.E.

Carraro S.p.A., controls Carraro International S.E. through its holding of 13,500 shares constituting 100.00% shareholding in Carraro International S.E. For details regarding Carraro S.p.A., see "***- Details of our Corporate Promoters – I. Carraro S.p.A.***" on page 271.

Details of change in control of Carraro International S.E.

There has been no change in the control of Carraro International S.E. in the three years preceding the date of this Red Herring Prospectus.

Our Company confirms that the PAN, bank account number, corporate registration number of Carraro International S.E. and address of the Chamber of Commerce, Industry, Handicrafts and Agriculture of Padova where Carraro International S.E. is registered was submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Details regarding change in control of our Company

Our Promoters are Tomaso Carraro, Enrico Carraro, Carraro S.p.A. and Carraro International S.E. Our Promoters have been identified as Promoters pursuant to a resolution passed by our Board dated August 19, 2024. Except for the acquisition of shareholding in our Company by Carraro International S.E. pursuant to the merger of Carraro Drive Tech S.p.A. with Carraro International S.E., there has been no change in control of our Company during the last five years immediately preceding the date of this Red Herring Prospectus. For further details, please see "***Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding – Build-up of Promoters' shareholding in our Company***" on page 96.

Interests of our Promoters

i. Our Promoters are interested in our Company to the extent (i) that they are the promoters of our Company; and (ii) that they hold any direct or indirect shareholding in our Company, and any dividends or any other distributions payable in respect thereof, as applicable. Further, Tomaso Carraro is interested in his capacity as the Vice Chairman and Non-Executive Director of our Company, and to the extent of remuneration, if any, payable to him in this regard, as applicable. For details of shareholding of our Promoters in our Company, see "***Capital Structure – Notes to Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding – Build-up of Promoters' shareholding in our Company***" on page 96. For details of the interest of Tomaso Carraro as a Director of our Company, see "***Our Management – Interests of Directors***" on page 258.

ii. Our Promoters have no interest in any property acquired in the three years preceding the date of this Red Herring Prospectus or is proposed to be acquired by our Company.

iii. Our Promoters have no interest any transaction in acquisition of land, construction of building and supply of machinery, etc.

iv. Our Promoters may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they are a member or in the case of Tomaso Carraro and Enrico Carraro, in which he holds directorships or any partnership firm in which he is a partner. For further details, please see "***Summary of the Offer Document – Summary of related party transactions***" and "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements***" on pages 16 and 248, respectively.

v. No sums have been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them as directors or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

vi. There are no conflicts of interest between the lessors of immoveable properties, suppliers of raw materials and third party service providers, which are crucial for the operations of the Company, and our Promoters and the members of our Promoter Group.

Payment or benefits to our Promoters or the members of our Promoter Group

Except as stated in "***Summary of the Offer Document – Summary of related party transactions***" on page 16, no amount or benefits have been paid or given to our Promoters or the members of the Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or the members of our Promoter Group.

Material guarantees given by our Promoters to third parties with respect to Equity Shares

As on the date of this Red Herring Prospectus, our Promoters have not given any material guarantees to any third party with respect to the Equity Shares.

Companies or firms with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Red Herring Prospectus:

Name of Promoter	Name of company or firm from which the Promoter has disassociated	Reasons and circumstances for disassociation	Date of disassociation
Carraro International S.E.	Enertronica Santerno S.p.A.	Transfer of entire shareholding to Carraro S.p.A.	March 27, 2024

Promoter Group

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Individual Promoters), are as follows:

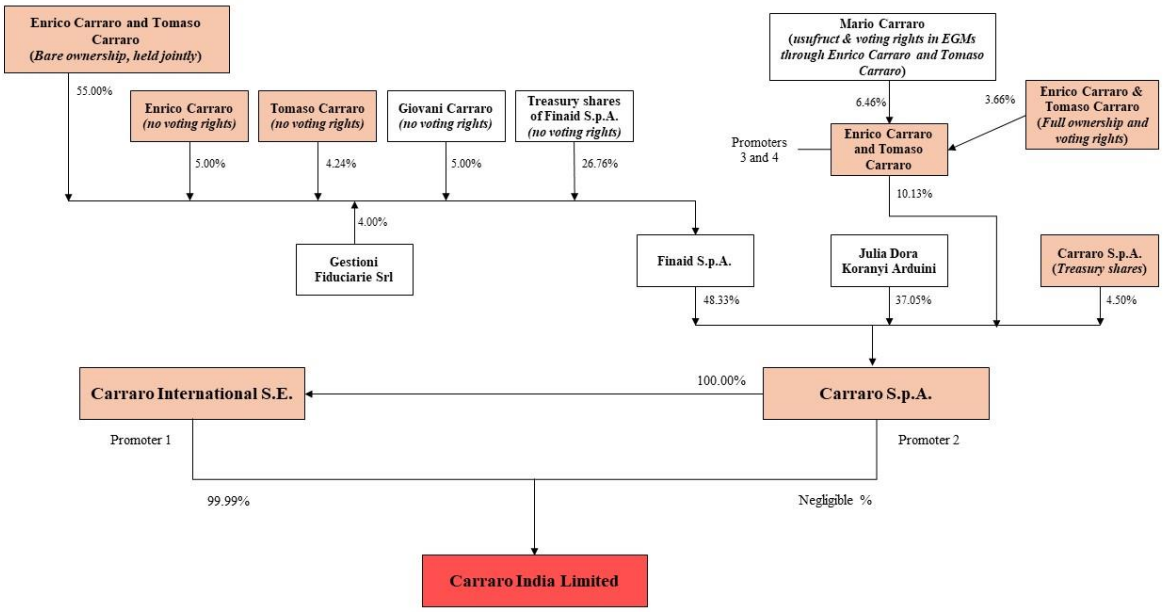
Name of Promoter	Name of relative	Relationship
Tomaso Carraro	Mario Carraro	Father
	Elsa Secco	Mother
	Enrico Carraro	Brother
	Giovanni Carraro	Brother
	Lorenzo Emiliano Carraro	Son
	Isabella Bianca Carraro	Daughter
	Piero Carraro	Minor son
Enrico Carraro	Mario Carraro	Father
	Elsa Secco	Mother
	Silvia Lorenzon	Spouse
	Tomaso Carraro	Brother
	Giovanni Carraro	Brother
	Virginia Carraro	Daughter
	Carolina Carraro	Daughter
	Gregorio Carraro	Minor son
	Margherita Carraro	Minor daughter
	Luciano Lorenzon	Spouse's father
	Esterina Nordio	Spouse's mother
	Stefano Lorenzon	Spouse's brother
	Andrea Lorenzon	Spouse's brother
	Cinzia Lorenzon	Spouse's sister

The companies, bodies corporate, HUFs, trusts and firms (other than our Corporate Promoters) forming a part of our Promoter Group are as follows:

1. Carraro Argentina S.A.;
2. Carraro China Drive Systems Co. Ltd.;
3. Carraro Drive Tech Italia S.p.A.;
4. Carraro Finance S.A.;

5. Carraro Lux-Tech R&D Center S.a.r.l.;
6. Carraro North America Inc.;
7. Carraro Technologies India Private Limited;
8. Driveservice S.r.l.;
9. Enertronica Santerno S.p.A.;
10. Falegnameria Lorenzon Snc di Lorenzon Andrea e Stefano;
11. Finaid S.p.A.;
12. MG Mini Gears Inc.;
13. Painting Silhouettes Di Carraro Carolina; and
14. Siap S.p.A.

The table below sets forth a pictorial representation of the full structure of our Promoters:



DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including the Companies Act, 2013 and SEBI Listing Regulations.

Dividends, if any, payable by our Company will depend on a number of internal and external parameters, which, *inter alia*, include, profits earned and available for distribution during the financial year, accumulated reserves including retained earnings, net profit earned during the financial year, cash flows, debt repayment schedules, fund requirement for contingencies and unforeseen events with financial implications, expansion/diversification of business, macro-economic environment, regulatory changes and technological changes.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend aforementioned parameters and on factors that our Board deems relevant, including but not limited to the earnings, past dividend patterns, capital expenditures to be incurred by our Company, cash flow position of our Company and the cost of borrowings, applicable legal restrictions, overall financial position of our Company.

Except as disclosed below, our Company has not paid any dividends on the Equity Shares in the last three Fiscals, six months ended September 30, 2024 and the period from October 1, 2024 until the date of this Red Herring Prospectus:

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Six months ended September 30, 2024	From October 1, 2024 until the date of this RHP
Face value per Equity Share (in ₹)	10	10	10	10	10
Aggregate dividend paid (in ₹ million)	Nil	50	310	Nil	Nil
Dividend per Equity Share (in ₹)	N.A.	0.88	5.45	N.A.	N.A.
Rate of dividend (%)	N.A.	8.79	54.53	N.A.	N.A.
Number of Equity Shares of face value of ₹ 10 each	56,851,538	56,851,538	56,851,538	56,851,538	56,851,538
Dividend distribution tax (in ₹ million)	N.A.	N.A.	N.A.	N.A.	N.A.
Mode of payment	N.A.	Electronic Clearing System	Electronic Clearing System	N.A.	N.A.

As on the date of this Red Herring Prospectus, our Company does not have a formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Offer. There is no guarantee that any dividends will be declared or paid in the future. For details of risks in relation to our capability to pay dividend, see "***Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements***" on page 63.

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Deloitte
Haskins & Sells LLP

Chartered Accountants
Westend Icon
11th & 12th floors
Building A, S No 169/1
Near Parihar Chowk
DP Road, Aundh
Pune - 411007
Maharashtra, India

Tel: +91 206 747 7800

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Carraro India Limited (formerly known as Carraro India Private Limited)

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Carraro India Limited (formerly known as Carraro India Private Limited) (the "Company" or the "Issuer") and wits subsidiary (collectively, the "Group") which comprises of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024 and 2023 and as at March 31 2024, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of changes in equity and the Restated Consolidated Statement of Cash Flows for the six month periods then ended September 30, 2024 and 2023 and for the years ended March 31 2024, 2023 and 2022, and a summary of Material Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company ("the Board") at their meeting held on December 02, 2024 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus (collectively, the "Offer Documents") prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

   c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note") read with SEBI Communication as mentioned in Note 2(a) to the Restated Consolidated Financial Information, as applicable.

2. The Company's management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors of the Company for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India (the "SEBI"), BSE Limited and National Stock Exchange of India Limited ("NSE") (collectively, with BSE Limited, the "Stock Exchanges") and Registrar of Companies, Maharashtra at Pune ("RoC") in connection with the IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company based on the basis of preparation stated in Note 2(a) to the Restated Consolidated Financial Information. The respective board of directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective board of directors of the companies included in the Group are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

3. We have examined these Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 08, 2024 in connection with the IPO;

b) The Guidance Note read with SEBI Communication, as applicable. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

(i) the audited Special Purpose Consolidated Interim Financial Statements as at and for the six month period ended September 30, 2024 (along with comparative audited special purpose Ind AS consolidated interim financial statements as at and for the six month period ended September 30, 2023) prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Interim Financial Statements") (also refer note 2(a) to the Restated Consolidated Financial Information), which have been approved by the Board of Directors at their meeting held on December 02, 2024.

(ii) the audited Special Purpose Consolidated Financial Statements as at and for the year ended March 31, 2024 (along with comparative audited special purpose Ind AS consolidated financial statements as at and for the year ended March 31, 2023) (the "Special Purpose Consolidated Financial Statements") prepared in accordance with the Ind AS, prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 02, 2024.

(iii) the audited Special Purpose Consolidated Financial Statements as at and for the year ended March 31, 2022(the "2022 Special Purpose Consolidated Financial Statements") prepared on the basis as described in Note 2(a) to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on December 02, 2024.

5. For the purpose of our examination, we have relied on reports issued by us dated December 02, 2024, December 02, 2024 and December 02, 2024 in relation to the special purpose consolidated financial statements of the Company as at and for the six month period ended September 30, 2024 and as at and for the years ended March 31, 2024 and March 31, 2022, respectively as referred in Paragraph 4 above which includes the following emphasis of matter paragraph (also refer Note 2(a) of the Restated Consolidated Financial Information).

As at and for the year ended March 31, 2022

Emphasis of matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2(a) to the special purpose consolidated financial statements as at and for the year ended March 31, 2022, which describes the purpose and basis of preparation. The Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication.

As a result, the Special Purpose Consolidated Financial Statements may not be suitable for any another purpose and are not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013, as amended. The Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six month period ended September 30, 2023 and financial years ended March 31, 2024, 2023 and 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six month period ended September 30, 2024;

   b) do not require any adjustment for modification as there is no modification in the underlying audit reports. There is an item relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and

   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Ind AS Consolidated Interim Financial Statements, the statutory standalone Ind AS financial statements as at and for the year ended March 31, 2024 and the statutory standalone Indian GAAP financial statements as at and for the years ended March 31, 2023 and 2022 except for the common control transaction as described in note 47 to the Restated Consolidated Financial Information..

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for the purpose of inclusion in the Offer Documents to be filed with SEBI, Stock Exchanges and RoC in connection with the IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Jayesh Parmar
Partner
(Membership Number: 106388)
UDIN: 24106388BKCUDW1320

Place: Mumbai
Date: December 02, 2024

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Restated Consolidated Statement of Assets and Liabilities
All amounts are ₹ in Millions unless otherwise stated

Particulars	Note no.	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS						
1) Non-current assets						
a) Property, plant and equipment	4	3,055.44	3,062.67	3,117.20	2,874.74	2,598.80
b) Right-of-use assets	4	271.82	143.49	137.37	149.68	160.25
c) Capital work-in-progress	5	3.09	-	-	90.57	101.23
d) Intangible assets	6	273.90	33.66	289.69	41.45	54.06
e) Financial assets						
i) Other non-current financial assets	7	50.15	46.17	47.72	38.69	26.99
f) Deferred tax assets	8	36.11	51.49	34.45	11.70	6.01
g) Non-current tax assets	9	324.66	309.44	319.68	313.79	292.11
h) Other non-current assets	10	132.91	14.94	73.35	38.61	138.04
Total non-current assets		**4,148.08**	**3,661.85**	**4,019.46**	**3,559.23**	**3,377.49**
2) Current assets						
a) Inventories	11	2,909.91	2,718.29	2,864.48	2,553.00	2,366.41
b) Financial assets						
i) Investments	12	-	60.30	-	-	-
ii) Trade receivables	13	2,556.19	3,279.93	2,427.16	3,033.89	2,570.41
iii) Cash and cash equivalents	14	970.03	592.18	1,035.96	1,049.89	1,039.64
iv) Other current finanicial assets	7	95.47	-	-	-	-
c) Other current assets	10	254.44	381.30	381.82	527.91	770.43
Total current assets		**6,786.04**	**7,032.00**	**6,709.42**	**7,164.69**	**6,746.89**
TOTAL ASSETS		**10,934.12**	**10,693.85**	**10,728.88**	**10,723.92**	**10,124.38**
EQUITY & LIABILITIES						
EQUITY						
a) Equity share capital	15	568.52	568.52	568.52	568.52	568.52
b) Other equity	16	3,625.90	3,061.10	3,129.66	2,805.24	2,356.40
Total equity attributable to the owners of the company		**4,194.42**	**3,629.62**	**3,698.18**	**3,373.76**	**2,924.92**
Non controlling interest	17	0.96	1.70	0.88	1.57	1.38
Total equity		**4,195.38**	**3,631.32**	**3,699.06**	**3,375.33**	**2,926.30**
LIABILITIES						
1) Non-current liabilities						
a) Financial liabilities						
i) Borrowings	18	1,510.11	1,091.27	1,223.20	1,308.15	857.24
ii) Lease liabilities	19	142.66	18.72	12.96	24.24	32.90
b) Provisions	20	475.56	433.49	473.84	462.99	391.39
c) Deferred tax liabilities	8	-	-	-	-	7.57
Total non-current liabilities		**2,128.33**	**1,543.48**	**1,710.00**	**1,795.38**	**1,289.10**
2) Current liabilities						
a) Financial liabilities						
i) Borrowings	18	447.66	876.66	902.26	575.15	924.14
ii) Lease liabilities	19	17.33	10.60	11.28	10.03	8.48
iii) Trade payables	21					
(a) Total outstanding dues of micro enterprises and		405.67	478.43	492.99	589.31	540.74
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,159.69	3,408.26	3,161.95	3,691.60	3,745.87
iv) Other financial liabilities	22	54.75	311.28	293.92	276.09	366.22
b) Other current liabilities	23	114.02	86.05	136.69	167.28	122.34
c) Provisions	20	304.84	295.85	320.45	215.85	191.34
d) Current tax liabilities (net)	24	106.45	51.92	0.27	27.90	9.85
Total current liabilities		**4,610.41**	**5,519.05**	**5,319.81**	**5,553.21**	**5,908.98**
TOTAL EQUITY AND LIABILITIES		**10,934.12**	**10,693.85**	**10,728.88**	**10,723.92**	**10,124.38**
The accompanying material accounting policies and notes form an integral part of the restated consolidated financial information.	1-48					

In terms of our report attached of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of **Carraro India Limited**
(Formerly known as Carraro India Private Limited)

Jayesh Parmar
Partner
Membership No.: 106388

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Balaji Gopalan
Managing Director
DIN - 07108093

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992
Place: Pune
Date: December 02, 2024

Nakul Patil
Company Secretary
Membership No - A39990

Place: Mumbai
Date: December 02, 2024

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Restated Consolidated Statement of Profit and Loss
All amounts are ₹ in Millions unless otherwise stated

Particulars		Note no.	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Income						
I.	Revenue from operations	25	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
II.	Other income	26	81.20	101.56	175.82	201.53	225.10
III.	**Total income (I+II)**		**9,227.39**	**9,711.83**	**18,065.47**	**17,332.98**	**15,200.53**
IV.	**Expenses**						
	(a) Cost of materials consumed	27	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
	(b) Changes in inventory of finished goods and work-in-progress	28	27.33	(159.53)	(240.94)	(147.80)	(187.77)
	(c) Employee benefits expense	29	753.02	722.49	1,434.72	1,304.60	1,173.26
	(d) Finance costs	30	118.94	111.32	224.85	197.87	162.23
	(e) Depreciation and amortisation expenses	31	222.85	210.49	431.38	394.36	359.06
	(f) Other expenses	32	790.33	1,127.76	1,999.32	2,022.99	1,977.80
	Total expenses		**8,558.22**	**9,372.19**	**17,221.75**	**16,677.10**	**14,893.19**
V.	**Restated Profit before tax (III-IV)**		**669.17**	**339.64**	**843.72**	**655.88**	**307.34**
VI.	**Tax expense**	33					
	(a) Current tax		173.14	132.28	243.57	189.41	92.01
	(b) Deferred tax (credit)		(1.31)	(42.01)	(25.48)	(18.12)	(8.93)
	Total tax expense		**171.83**	**90.27**	**218.09**	**171.29**	**83.08**
VII.	**Restated Profit for the period/year (V-VI)**		**497.34**	**249.37**	**625.63**	**484.59**	**224.26**
	Attributable to						
	-Owners of the company		497.26	249.25	625.43	484.42	224.09
	-Non controlling interest		0.08	0.12	0.20	0.17	0.17
VIII.	**Restated Other comprehensive income**						
	Items that will not be reclassified subsequently to profit or loss:						
	i) Remeasurement of net defined benefit liability		(1.37)	8.84	10.83	19.29	(36.89)
	ii) Income tax relating to restated other comprehensive income	33.2	0.35	(2.22)	(2.73)	(4.86)	9.28
	Restated Other comprehensive income, net of tax		**(1.02)**	**6.62**	**8.10**	**14.43**	**(27.61)**
	Attributable to						
	-Owners of the company		(1.02)	6.61	8.09	14.42	(27.61)
	-Non controlling interest		0.00	0.01	0.01	0.01	0.00
	Restated Total comprehensive income (VII+VIII)		**496.32**	**255.99**	**633.73**	**499.02**	**196.65**
	Attributable to						
	-Owners of the company		496.24	255.86	633.52	498.84	196.48
	-Non controlling interest		0.08	0.13	0.21	0.18	0.17
IX.	**Restated earning per share of face value of ₹ 10/- each (Not annualised for period ended September 30, 2024 and 2023)**	34					
	Basic (in ₹)		8.75	4.39	11.00	8.52	3.94
	Diluted (in ₹)		8.75	4.39	11.00	8.52	3.94
	The accompanying material accounting policies and notes form an integral part of the restated consolidated financial information.	1-48					

In terms of our report attached of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Jayesh Parmar
Partner
Membership No.: 106388

Place: Mumbai
Date: December 02, 2024

For and on behalf of Board of Directors of **Carraro India Limited**
(Formerly known as Carraro India Private Limited)

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992
Place: Pune
Date: December 02, 2024

Balaji Gopalan
Managing Director
DIN - 07108093

Nakul Patil
Company Secretary
Membership No - A39990

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Restated Consolidated Statement of Cash Flows
All amounts are ₹ in Millions unless otherwise stated

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities					
Restated Profit before tax	669.17	339.64	843.72	655.88	307.34
Adjustments for:					
Depreciation and amortisation expenses	222.85	210.49	431.38	394.36	359.06
Allowance for doubtful debts	4.84	4.53	0.38	-	0.99
Sundry balances written back	-	-	(8.78)	(0.87)	-
Liabilities no longer required written back	-	-	-	(1.87)	(4.50)
Bad debts written-off	-	-	-	-	1.75
Finance costs	110.51	111.32	224.85	197.87	162.23
(Gain) on sale of Property, plant and equipment	(1.28)	(3.06)	(3.10)	(0.22)	(5.38)
Fair value gain on investments	(0.78)	(2.26)	(4.59)	(12.55)	-
Unrealised Exchange (gain)/ loss	65.93	(9.42)	(36.95)	34.66	19.40
Interest income	(0.81)	(2.13)	(3.28)	(2.23)	(1.80)
Operating cashflows before working capital changes	**1,070.43**	**649.11**	**1,443.63**	**1,265.03**	**839.09**
Movements in working capital:					
(Increase)/Decrease in Trade Receivables	(132.66)	(279.27)	636.49	(485.59)	213.47
(Increase)/Decrease in Inventories	(45.43)	(165.29)	(311.48)	(186.59)	(494.32)
(Increase)/Decrease in Other Non Current Assets	1.43	7.45	8.15	6.61	(23.51)
(Increase)/Decrease in Other Non Current Financials Assets	(2.19)	(7.25)	(8.56)	(11.26)	(3.84)
(Increase)/Decrease in Other Current Financials Assets	(95.47)	-	-	-	-
(Increase)/Decrease in Other Current Assets	127.38	146.61	146.09	242.52	25.05
Increase/(Decrease) in Trade Payables	(123.39)	(348.55)	(623.71)	4.06	435.37
Increase/(Decrease) in financial liabilities	(252.97)	13.61	13.08	0.07	-
Increase/(Decrease) in Other Liabilities	(22.67)	(81.23)	(30.59)	44.94	(3.60)
Increase/(Decrease) in Long Term Provisions	0.35	(20.66)	21.68	90.89	43.68
Increase/(Decrease) in Short Term Provisions	(15.61)	80.00	104.60	24.51	20.70
Cash generated from operations	**509.20**	**(5.47)**	**1,399.38**	**995.19**	**1,052.08**
Income taxes paid	(71.94)	(103.76)	(277.50)	(193.04)	(93.77)
Net cash generated from/(used in) operating activities (A)	**437.26**	**(109.23)**	**1,121.88**	**802.15**	**958.31**
Cash flows from investing activities					
(Purchase) of Property, plant and equipment (including capital advances and capital creditors)	(192.89)	(254.78)	(590.25)	(627.37)	(596.18)
(Purchase) of Intangible assets	(0.00)	(1.29)	(273.24)	(4.97)	(7.10)
Sale of property, plant and equipment	7.43	3.06	9.25	0.35	7.42
Purchase of mutual fund investment	(239.99)	(1,222.74)	(1,539.94)	(5,704.72)	-
Sale of mutual fund investment	240.78	1,164.71	1,544.53	5,717.26	-
Interest received	-	1.94	2.90	1.87	0.36
Redemption/(Investment) in bank deposits - net	0.57	(0.04)	(0.09)	(0.08)	1.02
Net cash used in investing activities (B)	**(184.10)**	**(309.14)**	**(846.84)**	**(617.65)**	**(594.48)**
Cash flows from financing activities					
Payment of lease liabilities	(11.81)	(6.13)	(12.21)	(11.56)	(10.19)
Finance costs paid	(106.25)	(110.14)	(222.67)	(195.05)	(158.89)
Dividend paid	-	-	(309.10)	(50.00)	-
Proceeds from Long term borrowings	525.41	-	323.07	868.00	503.55
Repayment of Long term borrowings	(208.46)	(225.26)	(417.09)	(464.46)	(340.42)
Short-term borrowings availed (net)	(484.64)	309.89	336.18	(301.62)	91.20
Net cash generated from/(used in) financing activities (C)	**(285.75)**	**(31.64)**	**(301.82)**	**(154.69)**	**85.26**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(32.59)**	**(450.02)**	**(26.78)**	**29.81**	**449.08**
Cash and cash equivalents at the beginning of the period/year	1,035.96	1,049.89	1,049.89	1,039.64	594.90
Effect of exchange rate changes on cash and cash equivalents	(33.34)	(7.69)	12.85	(19.56)	(4.34)
Cash and cash equivalents at the end of the period/year	**970.03**	**592.18**	**1,035.96**	**1,049.89**	**1,039.64**
Reconciliation of cash and cash equivalents as per the cash flow Statement					
Cash and cash equivalents (Refer note 14)	970.03	592.18	1,035.96	1,049.89	1,039.64
Balance as per restated consolidated statement of cash flows	**970.03**	**592.18**	**1,035.96**	**1,049.89**	**1,039.64**

Disclosure is pursuant to Indian Accounting Standard (Ind AS) - 7: Statement of Cash Flows
Refer note 32.4 for details on cash outflow on account of Corporate Social Responbility (CSR) contribution
The accompanying material accounting policies and notes form an integral part of the restated consolidated financial information.

Reconciliation of liabilities arising from financing activities

Borrorwings

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Balance	**2,125.46**	**1,883.30**	**1,883.30**	**1,781.38**	**1,527.05**
Cash Flows:					
Repayments of Long term borrowings	(208.46)	(225.26)	(417.09)	(464.46)	(340.42)
Proceeds from Long term borrowings	525.41	-	323.07	868.00	503.55
Short term loans availed (net)	(484.64)	309.89	336.18	(301.62)	91.20
Closing Balance	**1,957.77**	**1,967.93**	**2,125.46**	**1,883.30**	**1,781.38**

Lease liabilities

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Balance	**24.24**	**34.27**	**34.27**	**41.38**	**48.23**
Non-cash movement:					
Interest on lease liabilities	4.26	1.18	2.18	2.82	3.34
Change in lease liabilities during the period/year (net of deletions/transfers)	143.30	-	-	1.63	-
Cash Flows:					
Repayments of lease liabilities	(11.81)	(6.13)	(12.21)	(11.56)	(10.19)
Closing Balance	**159.99**	**29.32**	**24.24**	**34.27**	**41.39**

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of **Carraro India Limited**
(Formerly known as Carraro India Private Limited)

Jayesh Parmar
Partner
Membership No.: 106388

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Balaji Gopalan
Managing Director
DIN - 07108093

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership No - A39990

Place: Mumbai
Date: December 02, 2024

Place: Pune
Date: December 02, 2024

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Restated Consolidated Statement of Changes in Equity
All amounts are ₹ in Millions unless otherwise stated

A) Equity share capital

For the period ended September 30, 2024		
Balance as at April 1, 2024	**Changes in equity share capital during the period**	**Balance as at September 30, 2024**
568.52	-	568.52

For the period ended September 30, 2023		
Balance as at April 1, 2023	**Changes in equity share capital during the period**	**Balance as at September 30, 2023**
568.52	-	568.52

For the year ended March 31, 2024		
Balance as at April 1, 2023	**Changes in equity share capital during the year**	**Balance as at March 31, 2024**
568.52	-	568.52

For the year ended March 31, 2023		
Balance as at April 1, 2022	**Changes in equity share capital during the year**	**Balance as at March 31, 2023**
568.52	-	568.52

For the year ended March 31, 2022		
Balance as at April 1, 2021	**Changes in equity share capital during the year**	**Balance as at March 31, 2022**
568.52	-	568.52

B) Other equity

Particulars	Retained earnings	Capital reserve	Capital Redemption reserve	Total other equity attributable to owners of the group	Non-controlling interests	Total
Balance as at April 01, 2021	**1,422.18**	**680.40**	**57.34**	**2,159.92**	**1.21**	**2,161.13**
Restated Profit for the year	224.09	-	-	224.09	0.17	**224.26**
Restated other comphrehensive income for the year	(27.61)	-	-	(27.61)	0.00	**(27.61)**
Restated Total comprehensive income for the year	**196.48**	**-**	**-**	**196.48**	**0.17**	**196.65**
Balance as at March 31, 2022	**1,618.66**	**680.40**	**57.34**	**2,356.40**	**1.38**	**2,357.78**
Restated Profit for the year	484.42	-	-	484.42	0.17	**484.59**
Restated other comphrehensive income for the year	14.42	-	-	14.42	0.02	**14.44**
Restated Total comprehensive income for the year	**498.84**	**-**	**-**	**498.84**	**0.19**	**499.03**
Dividend paid	(50.00)	-	-	(50.00)	-	**(50.00)**
Balance as at March 31, 2023	**2,067.50**	**680.40**	**57.34**	**2,805.24**	**1.57**	**2,806.81**
Restated Profit for the year	625.43	-	-	625.43	0.20	**625.63**
Restated other comphrehensive income for the year	8.09	-	-	8.09	0.01	**8.10**
Restated Total comprehensive income for the year	**633.52**	**-**	**-**	**633.52**	**0.21**	**633.73**
Dividend paid	(309.10)	-	-	(309.10)	(0.90)	**(310.00)**
Balance as at March 31, 2024	**2,391.92**	**680.40**	**57.34**	**3,129.66**	**0.88**	**3,130.54**
For interim period reported						
Balance as at April 01, 2023	**2,067.50**	**680.40**	**57.34**	**2,805.24**	**1.57**	**2,806.81**
Restated Profit for the period	249.25	-	-	249.25	0.12	**249.37**
Restated other comphrehensive income for the period	6.61	-	-	6.61	0.01	**6.62**
Restated Total comprehensive income for the period	**255.86**	**-**	**-**	**255.86**	**0.13**	**255.99**
Dividend paid	**-**	-	-	-	-	**-**
Balance as at September 30, 2023	**2,323.36**	**680.40**	**57.34**	**3,061.10**	**1.70**	**3,062.80**
For interim period reported						
Balance as at April 01, 2024	**2,391.92**	**680.40**	**57.34**	**3,129.66**	**0.88**	**3,130.54**
Restated Profit for the period	497.26	-	-	497.26	0.08	**497.34**
Restated other comphrehensive income for the period	(1.02)	-	-	(1.02)	0.00	**(1.02)**
Restated Total comprehensive income for the period	**496.24**	**-**	**-**	**496.24**	**0.08**	**496.32**
Dividend paid	**-**	-	-	-	-	**-**
Balance as at September 30, 2024	**2,888.16**	**680.40**	**57.34**	**3,625.90**	**0.96**	**3,626.86**

The accompanying material accounting policies and notes form an integral part of the restated consolidated financial information.

In terms of our report attached of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of **Carraro India Limited**
(Formerly known as Carraro India Private Limited)

Jayesh Parmar
Partner
Membership No.: 106388

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Balaji Gopalan
Managing Director
DIN - 07108093

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership No - A39990

Place: Mumbai
Date: December 02, 2024

Place: Pune
Date: December 02, 2024

1 GENERAL INFORMATION

Carraro India Limited (Formerly known as Carraro India Private Limited) ('the Parent' or 'the Company' or 'Holding Company') was incorporated as a private company on April 11, 1997 as a subsidiary of Carraro Drive Tech SpA, Italy and it is converted into a public company on June 28, 2024. The Company became a subsidiary of Carraro International S.E., Italy from August 01, 2020. The Company is engaged in the manufacture of mechanical transmissions, clutches, hydraulic lifts and planetary drives, axles for agricultural tractors and construction equipment including components, parts and spares thereof. The Company has its manufacturing facilities located in Ranjangaon at Pune.

Pursuant to scheme of Amalgamation approved by the High Court at Judicature at Bombay vide its order dated August 28, 2014, Turbo Gears India Private Limited (TGIPL) , the fellow subsidiary had merged with the Company w.e.f. April 1, 2013. TGIPL was incorporated on June 19, 1998 and was engaged in the manufacture and trade of gears and related components for the automotive industry.

2 BASIS OF PREPARATION AND PRESENTATION

(a) Basis of preparation

The Restated Consolidated Financial Information of the Company and its subsidiary (collectively, the "Group") comprises of the Restated Consolidated Statements of Assets and Liabilities as at September 30, 2024 and 2023 and as at March 31, 2024, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statements of Cash Flows and the Restated Consolidated Statements of Changes in Equity for the six month periods ended September 30, 2024 and 2023 and for the years ended March 31 2024, 2023 and 2022 and the Summary of Material Accounting Policies and other explanatory information (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Red Herring Prospectus (the "RHP") and Prospectus (collectively, the "Offer Documents") to be prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). The Restated Consolidated Financial Information have been prepared by the Company in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note") read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the "SEBI Communication"), as applicable.

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Company has mandatorily adopted Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") with effect from April 01, 2023. Accordingly, the transition date for adoption of Ind AS is April 01, 2022 for reporting under requirements of the Act.

These Restated Consolidated Financial Information have been compiled by the Management from:

a) the audited Special Purpose Ind AS Consolidated Interim Financial Statements of the Group as at and for the six month period ended September 30, 2024 (along with comparative audited special purpose Ind AS consolidated interim financial statements as at and for the six month period ended September 30, 2023) prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Ind AS Consolidated Interim Financial Statements"), which have been approved by the Board of Directors at their meeting held on December 02, 2024.

b) the audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2024 (along with comparative audited special purpose Ind AS consolidated financial statements as at and for the year ended March 31, 2023) prepared in accordance with the Ind AS, prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India (the "Special Purpose Ind AS Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on December 02, 2024.

c) the audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2022 (the "2022 Special Purpose Ind AS Consolidated Financial Statements") prepared in accordance with the prepared in accordance with the basis and accounting policies mentioned in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on December 02, 2024.

In pursuance to the SEBI Communication, for the purpose of 2022 Special Purpose Ind AS Consolidated Financial Statements for the year ended March 31, 2022 of the Group, the transition date is considered as April 01, 2021 which is different from the transition date adopted by the Group at the time of first time transition to Ind AS (i.e. April 01, 2022) for the purpose of preparation of Statutory Ind AS Financial Statements as required under the Act. Accordingly, the Group have applied the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as on April 01, 2021 for the 2022 Special Purpose Ind AS Consolidated Financial Statements, as initially adopted on transition date i.e. April 01, 2022.

As such, 2022 Special Purpose Ind AS Consolidated Financial Statements are prepared considering the accounting principles stated in Ind AS, as adopted by the Group and described in subsequent paragraphs.

2022 Special Purpose Ind AS Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information which will be included in Offer Documents in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, these 2022 Special Purpose Ind AS Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

Further, since the statutory date of transition to Ind AS is April 1, 2022 and that the 2022 Special Purpose Ind AS Consolidated Financial Statements have been prepared considering a transition date of April 1, 2021, the closing balances of items included in the Special Purpose Balance Sheet as at March 31, 2022 may be different from the balances considered on the statutory date of transition to Ind AS on April 1, 2022, due to such early application of Ind AS principles with effect from April 1, 2021 as compared to the date of statutory transition. Refer Note 45 for reconciliation of equity and total comprehensive income as per the Special Purpose Ind AS Consolidated Financial Statements as at and for the years ended March 31, 2023 and 2022 and equity and total comprehensive income as per the Restated Consolidated Financial Information.

Further, during the six month period ended September 30, 2024, the Company, directly acquired the entity which was ultimately controlled by the same parties who control it, both before and after the business combination, as mentioned in Note 47 to the Restated Consolidated Financial Information. This transaction was accounted as common control transaction as per Appendix C of Ind AS 103. Accordingly, this transaction was accounted retrospectively for the periods presented as part of the Restated Consolidated Financial Information. Also, the Special Purpose Ind AS Consolidated Ind AS Financial Statements as at and for the years ended March 31, 2024, 2023 and 2022 have been prepared after giving effect of accounting for aforesaid business combination as mentioned in Note 47 to the Restated Consolidated Financial Information.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements as at and for the six month period ended September 30, 2024.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Special Purpose Ind AS Consolidated Interim Financial Statements, Statutory Standalone Ind AS Financial Statements of the Company and its subsidiary as at and for the year ended March 31, 2024 and Statutory Standalone Indian GAAP Financial Statements as at and for the years ended March 31, 2023 and 2022 except for the common control transaction mentioned above.

The Restated Consolidated Financial Information:

a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six month period ended September 30, 2023 and financial years ended March 31, 2024, 2023 and 2022, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six month period ended September 30, 2024, as applicable;

b. do not require any adjustment for modification as there is no modification in the underlying audit reports on the Special Purpose Consolidated Financial Statements.

The auditor's report dated December 02, 2024 on the 2022 Special Purpose Ind AS Consolidated Financial Statements includes following emphasis of matter paragraph:

Emphasis of matter - Basis of Accounting and Restriction on Distribution and Use

"We draw attention to Note 2(a) to the special purpose Ind AS consolidated financial statements as at and for the year ended March 31, 2022, which describes the purpose and basis of preparation. The Special Purpose Ind AS Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the Special Purpose Ind AS Consolidated Financial Statements may not be suitable for any another purpose and are not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013, as amended. The Special Purpose Ind AS Consolidated Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

The Restated Consolidated Financial Information do not require any adjustments for the abovementioned Emphasis of Matter paragraph.

The Restated Consolidated Financial Information are presented in Indian Rupees "INR" or "Rs." or "₹" and all values are stated as INR or Rs. or ₹ millions, except when otherwise indicated.

These Restated Consolidated Financial Information have been approved by the Board of Directors of the Company on December 02, 2024.

(b) Basis of measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Special Purpose Consolidated Financial Statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items Basis	Measurement
Non derivative financial instruments at FVTPL	Fair value
Net defined benefit (asset)/ liability	Fair Value of plan assets less the present value of the defined benefit obligation, limited as explained in note 3(j)

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- **Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3 -** Inputs are not based on observable market data (unobservable inputs).

Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(c) Functional and presentation currency

The Special Purpose Ind AS Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency.

(d) Use of estimates and judgements

In preparing the Special Purpose Consolidated Financial Statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Group's financial position and/ or results of operations. Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipments, Intangible Assets and the recognition of provisions, including those for litigation, employee benefits.

The estimates and judgments used in the preparation of the Special Purpose Consolidated Financial Statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Although the Group regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.
Key source of estimation of uncertainty at the date of Special Purpose Consolidated Financial Statements, that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are given below:

i) Income tax and deferred tax assets

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the group will realize the benefits of those deductible differences.

ii) Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iii) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.
The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the Special Purpose Consolidated Financial Statements.

iv) Measurement of defined benefit obligation, key actuarial assumptions

Information about assumptions and estimation uncertainties in respect of defined benefit obligation are given in note 36 respectively.

v) Fair value measurement of Financial Instruments

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

vi) Allowance for credit losses on receivables

Loss allowances on trade receivables are measured using simplified approach. The Group recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its specific analysis and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(e) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
b. it is held primarily for the Purpose of being traded;
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

a. it is expected to be settled in the Group's normal operating cycle;
b. it is held primarily for the Purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents, generally twelve month is considered as operating cycle.

3 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Property, plant and equipment:

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives , than they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction are disclosed as capital work-in-progress.

Leasehold land is stated at historical cost less amounts amortised proportionate to expired lease period.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready to use at the Balance Sheet date.

Subsequent Expenditure:

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation/Amortisation:

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013.

Type of asset	Estimated useful life
Dies, Pattern, Fixtures and Tools	4-12 years
Plant and Machinery	8-25 years
Factory Buildings	25-50 years
Vehicles	1-4 years
Office equipments	8 years
Computers	5-8 years
Furniture and Fixture	14-16 years

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of Profit and Loss in the year the asset is derecognised.

(b) Intangible assets

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible assest is carried at its cost less any accumulated amortisation and any accumulated loss. Subsequent expenditure is capitalised only when it increases the future economic benefit from the specific asset to which it relates.

Type of asset	Estimated useful life
Computer Software	5-10 years
Intellectual Property Rights	20 years

Other Intangible assets are amortised on the straight line method over a period of 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment Testing of Property, Plant and Equipment, and other Intangible Assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes.

(c) Leases

The Group's lease asset classes primarily consist of leases for vehicles and office premise. At the inception of contract the Company assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to:
- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Group as a lessee

Recognition and measurement

The Group recognises the right of use asset and lease liability at the lease commencement date of lease. The right of use asset is initially measured at cost, which comprises of the initial amount of lease liability adjusted for any payment made at or before commencement date, any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received. The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate.

Lease payments include fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the Group under the residual value guarantee; the exercise price of a purchase option; if the Group is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term considered reflects that the Group shall exercise a termination option. The Group generally uses its incremental borrowing rate as discount rate.

The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured when there is a change in future lease payments.

Extension and termination of lease

The Group determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Short term leases and low value assets

The Group has elected not to recognise right of use of assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term in the statement of Profit and Loss.

Impairment testing for right of use of assets

Right of use assets are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss, if any, is recognised in statement of Profit and Loss.

(d) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined as at weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Financial Instruments

a) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments, except trade receivables that are initially recognised when they are originated.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, Trade receivables that do not contain a significant financing component are measured at transaction price.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as – measured at:
- Amortised cost; or
- FVOCI - Debt Investment; or
- FVOCI – equity investment;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

A financial asset which is not classified in any of the above categories are measured at FVTPL. However, in cases where the Group has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at FVTPL the subsequent changes in fair value are recognized in Other Comprehensive Income.

c) Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

d) Derecognition of financial assets & liabilities

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

Derecognition of financial liabilities

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and financial assets that are debt instruments and are measured at amortised cost, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Lifetime expected credit lossed are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets measured at FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Group recognises expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The impairment losses and reversals are recognised in statement of Profit and Loss.

g) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

h) Derivative Financial Instruments:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates on its long-term borrowings. The use of these foreign exchange forward contracts reduces the risk to the Group. The Group does not use the foreign exchange forward contracts for trading or speculation Purpose.

These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the statement of profit and loss.

(f) Provisions, contingent liabilities and contingent asset

Provisions

A provision is recognised if, as a result of past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

- Warranty provisions

The estimated liability for product warranties is recognised when products are sold or when new warranty programmes are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing of outflows will vary depending on when warranty claim will arise, being typically up to four years. The Group also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault.Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date.

- Onerous Contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation arising from the past event, that may, but probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed in the Consolidated Financial Statements unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are neither recognised nor disclosed in the Consolidated Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(g) Dividends

The Group recognizes a liability for any dividend declared but not distributed at the end of reporting year, when the distribution is authorized and the distribution is no longer at the discretion of the company on or before the end of the reporting year.

(h) Revenue recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Group expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers
Step 2: Identify performance obligations contained in the contracts
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations
Step 5: Recognize revenue when the performance obligation is satisfied.

The Group has applied the guidance in Ind-AS 115, Revenue from Contract with Customer, by applying the revenue recognition criteria for each distinct performance obligation. The Group derives revenue primarily from technical engineering designs. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing, by the parties to the contract, the parties have committed to perform their obligations under the contract and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ('performance obligations') to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ('transaction price'). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The contract with customers are time and material based and its revenue is recognised for the amount to which the Group has the right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

(i) Other income:

Interest income is recognised using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

(j) Employee benefits

Defined benefit plans

The Group's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognised in other comprehensive income, net of taxes, for the period in which they occur. All the expenses that relate to the defined benefit plan are recognised in statement of Profit and Loss. The Company recognises gains and losses on curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs, in the statement of Profit and Loss.The obligation under the defined benefit plan is measured after taking into account changes in legislation as have been enacted up to the Balance Sheet date.

Defined contribution plans

The Group's contribution towards employee's provident fund and employee state insurance scheme are defined contribution plans.The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme. The Company's contribution paid/payable under the schemes is recognised as employee benefits expense in the statement of Profit and Loss during the period in which the employee renders the related service.

Compensated absences

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the statement of Profit and Loss in the year in which they arise.

Other benefits

The Group has other long-term employee benefit plan in the form of retention bonus for those employees, who are identified to ensure continuity of special projects / tasks / activities. This amount will be payable on completion of their three years of service payable in 37th and 40th month salary equally. Liability for the same is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits expense. Benefits such as salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

(k) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognised as expense in the period in which they are incurred.

(l) Foreign currency

Indian Rupee is the Group's functional as well as presentation currency.

-Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

-Measurement of monetary items denominated in foreign currency at the Balance Sheet date

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Group outstanding at the Balance Sheet date are restated at the year-end rates.

Non monetary foreign currency items that are measured based on historical cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

-Treatment of exchange differences

Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of Profit and Loss.
The translation differences on monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Profit and Loss.

(m) Income tax

Income tax expense comprises current and deferred tax.

Current tax

Provision for current tax is recognised in accordance with the provisions of Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.It is measured using tax rates enacted or substantively enacted at the reporting date.
Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting Purpose and the amount considered for tax Purpose.
Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Such reductions are reversed when it becomes probable that sufficient taxable profits will be available.
Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year.
The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax for the reporting period

Current and deferred tax are recognised in the statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the taxes are also recognised in other comprehensive income or directly in equity respectively.

(n) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

(o) Segment reporting

The Group is primarily engaged in the business of manufacturing automotive equipments, parts and components and export of design engineering services. Operating segments are defined as components of an enterprise for which discrete Financial Statements is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The reporting of segment information is the same as provided to the management for the Purpose of the performance assessment and resource allocation to the segments.Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities.

(p) Recent pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the period ended September 30 , 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

(q) First time adoption of Ind AS

The Group has prepared opening Balance Sheet as per Ind AS as of April 1, 2021 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company under Ind AS 101 are as follows:

A. Optional Exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Group has elected to apply the following optional exemptions from retrospective application:

(i) Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries and transactions which are considered businesses for Ind AS, that occurred before April 1, 2021. The carrying amounts of assets and liabilities in accordance with Previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurement is in accordance with Ind AS.

(ii) Deemed cost for property, plant and equipment and intangible assets

The Group has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Mandatory Exceptions from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

(i) Estimates

The Group estimates in accordance with Ind AS as at the date of transition to Ind AS are consistent with the estimates made for the same date as per previous GAAP.

(ii) Classification and measurement of financial assets and financial liabilities

Ind AS - 101 requires the Group to assess classification and measurement of financial assets and financial liabilities on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Group has assessed the same accordingly.

(r) Principles of consolidation

The Parent company has acquired Carraro Technologies India Private Limited ('the Subsidiary') on June 28, 2024. Refer notes 47 and 48 to the restated consolidated financial information.

Subsidiary is the entity over which the Company has control. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Pursuant to the requirements of Appendix C of the Ind AS 103, these business combinations under common control are accounted for using the pooling of interest method. Consequently, the financial information of the Group, includes the financial information of the businesses transferred by the transferor to the transferee and has been restated from the earliest period presented in the special purpose consolidated financial information of the Group.

Following subsidiary has been considered in the preparation of restated consolidated financial information:

Entity	Country of incorporation / Place of business	% of Holding as on September 30, 2024
Carraro Technologies India Private Limited	India	99.99%

The Group combines the financial statements of the parent and its subsidiary using pooling of interest method which involves the following :

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiary used in consolidation are drawn up to the same reporting date as that of the parent company i.e. six month period ended September 30, 2024 and 2023 and year ended March 31, 2024, March 31, 2023 and March 31, 2022.

4 Property, plant and equipment and right-of-use assets

Particulars	Own assets							Total	Right-of-use assets					Total
	Factory Buildings	Plant and Machinery	Furniture and Fixture	Computers	Vehicles	Office equipment	Dies, Pattern, Fixtures and Tools		Leasehold Land	Vehicles	Building	Solar Power Plant	Total	
I. Gross carrying amount														
Balance as at April 1, 2021	**385.22**	**1,660.91**	**26.30**	**21.93**	**0.05**	**0.08**	**283.67**	**2,378.16**	**137.66**	**0.63**	**49.71**	**-**	**188.00**	**2,566.16**
Additions	19.28	421.96	4.74	17.93	-	-	89.37	**553.28**	-	-	-	-	**-**	**553.28**
Disposals, transfers and adjustments	-	(2.03)	-	(0.01)	-	-	-	**(2.04)**	-	-	-	-	**-**	**(2.04)**
Balance as at March 31, 2022	**404.50**	**2,080.84**	**31.04**	**39.85**	**0.05**	**0.08**	**373.04**	**2,929.40**	**137.66**	**0.63**	**49.71**	**-**	**188.00**	**3,117.40**
Ind AS transition adjustments	(13.73)	(240.39)	(3.25)	(9.63)	(0.03)	(0.02)	(63.55)	**(330.60)**	-	0.01	(9.94)	-	**(9.93)**	**(340.53)**
Balance as at April 01, 2022	**390.77**	**1,840.45**	**27.79**	**30.22**	**0.02**	**0.06**	**309.49**	**2,598.80**	**137.66**	**0.64**	**39.77**	**-**	**178.07**	**2,776.87**
Additions	74.71	498.23	6.90	9.52	-	-	51.29	**640.65**	-	1.63	-	-	**1.63**	**642.28**
Disposals, transfers and adjustments	-	-	-	(0.13)	-	-	-	**(0.13)**	-	-	-	-	**-**	**(0.13)**
Balance as at March 31, 2023	**465.48**	**2,338.68**	**34.69**	**39.61**	**0.02**	**0.06**	**360.78**	**3,239.32**	**137.66**	**2.27**	**39.77**	**-**	**179.70**	**3,419.02**
Additions	89.45	402.38	8.97	21.22	-	-	120.66	**642.68**	-	-	-	-	**-**	**642.68**
Disposals, transfers and adjustments	-	(3.38)	-	(0.02)	-	-	(6.03)	**(9.43)**	-	-	-	-	**-**	**(9.43)**
Balance as at March 31, 2024	**554.93**	**2,737.68**	**43.66**	**60.81**	**0.02**	**0.06**	**475.41**	**3,872.57**	**137.66**	**2.27**	**39.77**	**-**	**179.70**	**4,052.27**
For interim period reported														
Balance as at April 01, 2023	**465.48**	**2,338.68**	**34.69**	**39.61**	**0.02**	**0.06**	**360.78**	**3,239.32**	**137.66**	**2.27**	**39.77**	**-**	**179.70**	**3,419.02**
Additions	82.41	228.76	4.15	10.64	-	-	62.75	**388.71**	-	-	-	-	**-**	**388.71**
Disposals, transfers and adjustments	-	(1.86)	-	-	-	-	(4.97)	**(6.83)**	-	-	-	-	**-**	**(6.83)**
Balance as at September 30, 2023	**547.89**	**2,565.58**	**38.84**	**50.25**	**0.02**	**0.06**	**418.56**	**3,621.20**	**137.66**	**2.27**	**39.77**	**-**	**179.70**	**3,800.90**
For interim period reported														
Balance as at April 01, 2024	**554.93**	**2,737.68**	**43.66**	**60.81**	**0.02**	**0.06**	**475.41**	**3,872.57**	**137.66**	**2.27**	**39.77**	**-**	**179.70**	**4,052.27**
Additions	1.55	89.11	2.62	12.54	-	-	30.63	**136.45**	-	-	-	143.30	**143.30**	**279.75**
Disposals, transfers and adjustments	-	(0.12)	-	(0.07)	-	-	-	**(0.19)**	-	-	-	-	**-**	**(0.19)**
Balance as at September 30, 2024	**556.48**	**2,826.67**	**46.28**	**73.28**	**0.02**	**0.06**	**506.04**	**4,008.83**	**137.66**	**2.27**	**39.77**	**143.30**	**323.00**	**4,331.83**
II. Accumulated depreciation														
Balance as at April 1, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15.62**	**0.21**	**-**	**-**	**15.83**	**15.83**
Depreciation expense for the year	13.73	240.39	3.25	9.63	0.03	0.02	63.55	**330.60**	1.83	0.15	9.94	-	**11.92**	**342.52**
Disposals, transfers and adjustments	-	-	-	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Balance as at March 31, 2022	**13.73**	**240.39**	**3.25**	**9.63**	**0.03**	**0.02**	**63.55**	**330.60**	**17.45**	**0.36**	**9.94**	**-**	**27.75**	**358.35**
Ind AS transition adjustments	(13.73)	(240.39)	(3.25)	(9.63)	(0.03)	(0.02)	(63.55)	**(330.60)**	-	0.01	(9.94)	-	**(9.93)**	**(340.53)**
Balance as at April 1, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17.45**	**0.37**	**-**	**-**	**17.82**	**17.82**
Depreciation expense for the year	15.15	266.48	3.53	12.29	0.02	0.01	67.10	**364.58**	1.83	0.43	9.94	-	**12.20**	**376.78**
Disposals, transfers and adjustments	-	-	-	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Balance as at March 31, 2023	**15.15**	**266.48**	**3.53**	**12.29**	**0.02**	**0.01**	**67.10**	**364.58**	**19.28**	**0.80**	**9.94**	**-**	**30.02**	**394.60**
Depreciation expense for the year	17.53	286.85	4.02	13.23	-	0.01	72.43	**394.07**	1.83	0.52	9.96	-	**12.31**	**406.38**
Disposals, transfers and adjustments	-	(2.16)	-	(0.02)	-	-	(1.10)	**(3.28)**	-	-	-	-	**-**	**(3.28)**
Balance as at March 31, 2024	**32.68**	**551.17**	**7.55**	**25.50**	**0.02**	**0.02**	**138.43**	**755.37**	**21.11**	**1.32**	**19.90**	**-**	**42.33**	**797.70**
For interim period reported														
Balance as at April 01, 2023	**15.15**	**266.48**	**3.53**	**12.29**	**0.02**	**0.01**	**67.10**	**364.58**	**19.28**	**0.80**	**9.94**	**-**	**30.02**	**394.60**
Depreciation expense for the period	8.72	141.93	1.94	6.45	-	0.01	36.17	**195.22**	0.92	0.29	4.98	-	**6.19**	**201.41**
Disposals, transfers and adjustments	-	(0.62)	-	-	-	-	(0.65)	**(1.27)**	-	-	-	-	**-**	**(1.27)**
Balance as at September 30, 2023	**23.87**	**407.79**	**5.47**	**18.74**	**0.02**	**0.02**	**102.62**	**558.53**	**20.20**	**1.09**	**14.92**	**-**	**36.21**	**594.74**
For interim period reported														
Balance as at April 01, 2024	**32.68**	**551.17**	**7.55**	**25.50**	**0.02**	**0.02**	**138.43**	**755.37**	**21.11**	**1.32**	**19.90**	**-**	**42.33**	**797.70**
Depreciation expense for the period	8.85	141.51	2.16	7.36	-	0.01	38.32	**198.21**	0.91	0.20	4.98	2.76	**8.85**	**207.06**
Disposals, transfers and adjustments	-	(0.12)	-	(0.07)	-	-	-	**(0.19)**	-	-	-	-	**-**	**(0.19)**
Balance as at September 30, 2024	**41.53**	**692.56**	**9.71**	**32.79**	**0.02**	**0.03**	**176.75**	**953.39**	**22.02**	**1.52**	**24.88**	**2.76**	**51.18**	**1,004.57**
III. Net carrying amount (I-II)														
Balance as at September 30, 2024	**514.95**	**2,134.11**	**36.57**	**40.49**	**-**	**0.03**	**329.29**	**3,055.44**	**115.64**	**0.75**	**14.89**	**140.54**	**271.82**	**3,327.26**
Balance as at September 30, 2023	**524.02**	**2,157.79**	**33.37**	**31.51**	**-**	**0.04**	**315.94**	**3,062.67**	**117.46**	**1.18**	**24.85**	**-**	**143.49**	**3,206.16**
Balance as at March 31, 2024	**522.25**	**2,186.51**	**36.11**	**35.31**	**-**	**0.04**	**336.98**	**3,117.20**	**116.55**	**0.95**	**19.87**	**-**	**137.37**	**3,254.57**
Balance as at March 31, 2023	**450.33**	**2,072.20**	**31.16**	**27.32**	**-**	**0.05**	**293.68**	**2,874.74**	**118.38**	**1.47**	**29.83**	**-**	**149.68**	**3,024.42**
Balance as at March 31, 2022	**390.77**	**1,840.45**	**27.79**	**30.22**	**0.02**	**0.06**	**309.49**	**2,598.80**	**120.21**	**0.27**	**39.77**	**-**	**160.25**	**2,759.05**

4.1 There are no impairment losses recognised during the periods/years ended September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022.

4.2 The Group has not revalued its property, plant and equipment as on each reporting period/year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

4.3 The title deeds of all immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in the favor of the lessee) are held in the name of the Group.

4.4 Refer note 3(q) for first time adoption options availed by the Group on the transition to Ind AS.

4.5 The Group has created first pari passu charge on entire property, plant and equipments (except land & building) against borrowings. Refer Note 18.

5 Capital work-in-progress (CWIP)

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31,
Capital work-in-progress	3.09	-	-	90.57	101.23

5.1 Capital Work-in-Progress mainly comprises of Building - factory shed as at September 30, 2024 and Plant & Machineries as at March 31, 2023 and March 31, 2022.

5.2 CWIP ageing schedule as at September 30, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Building	3.09	-	-	-	**3.09**
Projects temporarily suspended	-	-	-	-	**-**

CWIP ageing schedule as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Plant and machinery	89.25	1.32	-	-	**90.57**
Projects temporarily suspended	-	-	-	-	**-**

CWIP ageing schedule as at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Plant and machinery	67.98	33.25	-	-	**101.23**
Projects temporarily suspended	-	-	-	-	-

5.3 There are no projects as on each reporting date where activity had been suspended. Also, there are no projects as on the reporting periods which has exceeded cost as compared to its original plan or where completion is overdue.

6 Intangible assets

Particulars	Software	Intellectual property	Total
I. Gross carrying amount			
Balance as at April 1, 2021	**63.50**	**-**	**63.50**
Additions	7.10	-	**7.10**
Balance as at March 31, 2022	**70.60**	**-**	**70.60**
Ind AS transition adjustments	(16.54)	-	**(16.54)**
Balance as at April 1, 2022	**54.06**	**-**	**54.06**
Additions	4.97	-	**4.97**
Balance as at March 31, 2023	**59.03**	**-**	**59.03**
Additions	2.16	271.08	**273.24**
Balance as at March 31, 2024	**61.19**	**271.08**	**332.27**
For interim period reported			
Balance as at April 01, 2023	**59.03**	**-**	**59.03**
Additions	1.29	-	1.29
Balance as at September 30, 2023	**60.32**	**-**	**60.32**
For interim period reported			
Balance as at April 01, 2024	**61.19**	**271.08**	**332.27**
Additions	-	-	-
Balance as at September 30, 2024	**61.19**	**271.08**	**332.27**
II. Accumulated amortisation			
Balance as at April 1, 2021	**-**	**-**	**-**
Amortisation expense for the year	16.54	-	**16.54**
Balance as at March 31, 2022	**16.54**	**-**	**16.54**
Ind AS transition adjustments	(16.54)	-	**(16.54)**
Balance as at April 1, 2022	**-**	-	**-**
Amortisation expense for the year	17.58	-	**17.58**
Balance as at March 31, 2023	**17.58**	**-**	**17.58**
Amortisation expense for the year	18.21	6.79	**25.00**
Balance as at March 31, 2024	**35.79**	**6.79**	**42.58**
For interim period reported			
Balance as at April 01, 2023	**17.58**	**-**	**17.58**
Amortisation expense for the period	9.08	-	9.08
Balance as at September 30, 2023	**26.66**	**-**	**26.66**
For interim period reported			
Balance as at April 01, 2024	**35.79**	**6.79**	**42.58**
Amortisation expense for the period	9.01	6.78	15.79
Balance as at September 30, 2024	**44.80**	**13.57**	**58.37**
III. Net carrying amount (I-II)			
Balance as at September 30, 2024	**16.39**	**257.51**	**273.90**
Balance as at September 30, 2023	**33.66**	**-**	**33.66**
Balance as at March 31, 2024	**25.40**	**264.29**	**289.69**
Balance as at March 31, 2023	**41.45**	**-**	**41.45**
Balance as at March 31, 2022	**54.06**	**-**	**54.06**

6.1 The Group has not revalued its intangible assets as on each reporting period/year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

6.2 Refer note 3(q) for first time adoption options availed by the Group on the transition to Ind AS.

7 Other financial assets

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current - unsecured, considered good					
Deposits with banks					
- Long term deposits with Banks having remaining maturity period of more than 12 months (Refer Note 7.1)	1.88	1.79	1.84	1.75	1.67
Security deposits	48.27	44.38	45.88	36.94	25.32
Total	**50.15**	**46.17**	**47.72**	**38.69**	**26.99**
Current - unsecured, considered good unless otherwise stated					
Measured at fair value through profit or loss					
Derivatives					
- Foreign-exchange forward contract	18.87	-	-	-	-
Measured at amortised cost					
Other receivables (Refer note 7.2)	76.60	-	-	-	-
Total	**95.47**	**-**	**-**	**-**	**-**

7.1 Long term deposits are held under lien by Bank against Bank Guarantee.

7.2 Other receivable is related to fees charged by Auditors, Lawyers and other consultants for IPO services which are recoverable from Holding company - Carraro International S.E.

8 Deferred tax assets/(liabilities) (net)

8.1 Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting Purposes:

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deferred tax asset	36.11	51.49	34.45	11.70	6.01
Deferred tax liabilities	-	-	-	-	(7.57)
Total	**36.11**	**51.49**	**34.45**	**11.70**	**(1.56)**

Deferred tax assets/(liabilities) in relation to the period ended September 30, 2024

Particulars	Opening Balance as on April 1, 2024	Recognised in restated Profit or loss (expense)/ credit	Recognised in restated Other comprehensive income	Closing balance as on September 30, 2024
Property, plant and equipment & Intangible assets	(160.57)	(6.66)	-	(167.23)
Right-of-use assets and leases liabilities	0.86	0.10	-	0.96
Allowance for expected credit losses	1.70	1.21	-	2.91
Gratuity, Compensated absences & Retention Bonus	191.16	6.27	0.35	197.78
Inventories	-	-	-	-
Others(Includes trade payable to MSME)	1.30	0.39	-	1.69
Total	**34.45**	**1.31**	**0.35**	**36.11**

Deferred tax assets/(liabilities) in relation to the period ended September 30, 2023

Particulars	Opening Balance as on April 1, 2023	Recognised in restated Profit or loss (expense)/ credit	Recognised in restated Other comprehensive income	Closing balance as on September 30, 2023
Property, plant and equipment & Intangible assets	(145.64)	(4.48)	-	(150.12)
Right-of-use assets and leases liabilities	0.75	0.68	-	1.43
Allowance for expected credit losses	3.42	1.14	-	4.56
Gratuity, Compensated absences & Retention Bonus	165.02	22.97	(2.22)	185.77
Inventories	(12.16)	(0.00)		(12.16)
Others(Includes trade payable to MSME)	0.31	21.70	-	22.01
Total	**11.70**	**42.01**	**(2.22)**	**51.49**

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2024

Particulars	Opening Balance as on April 1, 2023	Recognised in restated Profit or loss (expense)/ credit	Recognised in restated Other comprehensive income	Closing balance as on March 31, 2024
Property, plant and equipment & Intangible assets	(145.64)	(14.93)	-	(160.57)
Right-of-use assets and leases liabilities	0.75	0.11	-	0.86
Allowance for expected credit losses	3.42	(1.72)	-	1.70
Gratuity, Compensated absences & Retention Bonus	165.02	28.87	(2.73)	191.16
Inventories	(12.16)	12.16	-	-
Others(Includes trade payable to MSME)	0.31	0.99	-	1.30
Total	**11.70**	**25.48**	**(2.73)**	**34.45**

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2023

Particulars	Opening Balance as on April 1, 2022	Recognised in restated Profit or loss (expense)/ credit	Recognised in restated Other comprehensive income	Closing balance as on March 31, 2023
Property, plant and equipment & Intangible assets	(139.03)	(6.61)	-	(145.64)
Right-of-use assets and leases liabilities	0.34	0.41	-	0.75
Allowance for expected credit losses	3.64	(0.22)	-	3.42
Gratuity, Compensated absences & Retention Bonus	141.38	28.50	(4.86)	165.02
Inventories	(8.28)	(3.88)	-	(12.16)
Others	0.39	(0.08)	-	0.31
Total	**(1.56)**	**18.12**	**(4.86)**	**11.70**

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2022

Particulars	Opening balance as on April 1, 2021	Recognised in restated profit or loss (expense)/ credit	Recognised in other comprehensive income	Closing balance as on March 31, 2022
Property, plant and equipment & Intangible assets	(136.57)	(2.46)	-	(139.03)
Right-of-use assets and leases liabilities	(0.48)	0.82	-	0.34
Allowance for expected credit losses	3.39	0.25	-	3.64
Gratuity, Compensated absences & Retention Bonus	118.52	13.58	9.28	141.38
Inventories	(5.11)	(3.17)	-	(8.28)
Others	0.48	(0.09)	-	0.39
Total	**(19.77)**	**8.93**	**9.28**	**(1.56)**

9 Non-current tax assets

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current tax assets Rs. 2,050.56 millions (Net of Provision for Income tax - September 30, 2023 : Rs. 1,631.60 millions; March 31, 2024: Rs 2,049.46 millions; March 31, 2023: Rs. 1,631.59 millions; March 31, 2022: Rs. 1,548.04 millions)	324.66	309.44	319.68	313.79	292.11
Total	**324.66**	**309.44**	**319.68**	**313.79**	**292.11**

10 Other assets

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current - unsecured, considered good unless otherwise stated					
Balance with Government Authorities (other than income taxes)	7.33	9.46	8.76	15.46	20.84
Prepaid Expenses	-	-	-	1.45	2.68
Capital Advances	125.58	5.48	64.59	21.70	114.52
	132.91	**14.94**	**73.35**	**38.61**	**138.04**
Current - unsecured, considered good unless otherwise stated					
Balance with Government Authorities (other than income taxes)	209.70	335.05	259.40	473.66	718.96
Advances to suppliers	19.50	28.08	107.14	41.54	37.43
Advances to employees	0.13	0.65	0.15	0.35	0.50
Prepaid Expenses	25.11	17.52	15.13	12.36	13.54
Total	**254.44**	**381.30**	**381.82**	**527.91**	**770.43**

11 Inventories

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
At lower of cost and net realisable value					
Raw Materials and components	1,982.07	1,840.99	1,911.71	1,836.60	1,800.09
Consumable Tools	20.76	24.30	18.36	22.93	20.65
Work-in-progress	485.26	530.70	538.10	518.43	424.99
Finished goods	421.82	322.30	396.31	175.04	120.68
Total	**2,909.91**	**2,718.29**	**2,864.48**	**2,553.00**	**2,366.41**

11.1 During the periods ended September 30, 2024 and September 30, 2023, and year ended March 31, 2024, 2023 and 2022, the Group recorded inventory write-down expenses of Nil, ₹ 18.60 millions, ₹ 37.22 millions, ₹ 34.84 millions and ₹ 41.74 millions respectively. These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress and finished goods' in the Restated consolidated statement of profit and loss.

11.2 Details of goods-in-transit included in inventories above

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Raw Materials and components	464.39	350.46	501.98	440.80	358.90
Finished goods	206.01	124.26	252.36	-	-
	670.40	**474.72**	**754.34**	**440.80**	**358.90**

11.3 The mode of valuation of inventories has been stated in note 3 (d).

12 Investments

Particulars	As at September 30, 2024		As at September 30, 2023	
	Units	Amount	Units	Amount
Investment in mutual funds (measured at FVTPL)				
Quoted				
Axis Overnight Fund Direct Growth (ON-DG) plan at NAV of ₹ 1224.8541	-	-	49,228.16	60.30
Total	**-**	**-**	**49,228.16**	**60.30**

13 Trade receivables

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade receivables					
Unsecured, considered good	2,556.19	3,279.93	2,427.16	3,033.89	2,570.41
Unsecured, credit impaired	11.58	18.11	6.74	13.58	14.45
	2,567.77	3,298.04	2,433.90	3,047.47	2,584.86
Less: Expected credit loss allowance (Refer note 13.4)	(11.58)	(18.11)	(6.74)	(13.58)	(14.45)
Total	**2,556.19**	**3,279.93**	**2,427.16**	**3,033.89**	**2,570.41**

13.1 The average credit period on sales of goods is 30-60 days and for rendering of services is 60-90 days

13.2 Details of trade receivables from directors or other officers of the group or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner or a director or a member:

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade receivables from					
Ultimate Holding Company	39.50	74.58	46.19	77.50	77.75
Holding Company	-	-	-	-	7.03
Fellow subsidiaries	455.60	1,318.85	857.82	1,056.73	513.26

13.3 Loss allowances on trade receivables are measured using simplified approach. The Group recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its specific analysis and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

13.4 Movement in the expected credit loss allowance

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the period/year	**6.74**	**13.58**	**13.58**	**14.45**	**13.46**
Add : Additional provision/(reversal)	4.84	4.53	0.38	(0.87)	0.99
Less: Provision utilized	-	(0.00)	(7.22)	-	-
Balance at end of the period/year	**11.58**	**18.11**	**6.74**	**13.58**	**14.45**

13.5 Trade receivables from related parties are disclosed separately under note 38.

13.6 Ageing of receivables

As at September 30, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	2,228.59	302.19	11.87	9.79	0.79	2.96	**2,556.19**
- credit impaired	-	0.02	1.94	3.07	0.24	6.31	**11.58**
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	2,228.59	**302.21**	**13.81**	**12.86**	**1.03**	**9.27**	**2,567.77**
Less: Expected credit loss allowance							(11.58)
Total							**2,556.19**

As at September 30, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	2,714.60	545.07	7.62	7.67	1.44	3.53	**3,279.93**
- credit impaired	-	0.08	2.99	0.37	1.33	13.34	**18.11**
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	2,714.60	**545.15**	**10.61**	**8.04**	**2.77**	**16.87**	**3,298.04**
Less: Expected credit loss allowance							(18.11)
Total							**3,279.93**

As on March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	2,122.78	282.14	2.63	3.31	12.62	3.68	**2,427.16**
- credit impaired	-	-	0.00	0.03	0.16	6.55	**6.74**
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	2,122.78	**282.14**	**2.63**	**3.34**	**12.78**	**10.23**	**2,433.90**
Less: Expected credit loss allowance							(6.74)
Total							**2,427.16**

As on March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	2,745.92	254.16	18.32	13.66	1.14	0.70	**3,033.89**
- credit impaired	-	-	0.00	0.25	0.73	9.93	**10.91**
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	2.67	**2.67**
	2,745.92	**254.16**	**18.32**	**13.91**	**1.87**	**13.30**	**3,047.47**
Less: Expected credit loss allowance							(13.58)
Total							**3,033.89**

As on March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	2,329.47	234.79	0.35	2.83	1.03	1.94	**2,570.41**
- credit impaired	-	2.59	-	-	0.18	9.01	**11.78**
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	2.67	**2.67**
	2,329.47	**237.38**	**0.35**	**2.83**	**1.21**	**13.62**	**2,584.86**
Less: Expected credit loss allowance							(14.45)
Total							**2,570.41**

14 Cash and cash equivalents

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balances with banks					
- In Current accounts	42.87	116.61	132.89	79.76	111.32
- In Cash credit accounts	57.78	267.26	171.73	125.13	292.59
- In Exchange earner's foreign currency accounts	838.88	208.12	531.14	764.84	595.54
- Bank deposits with original maturity of less than three months	30.34	-	200.06	80.02	40.09
Cash on hand	0.16	0.19	0.14	0.14	0.10
Total	**970.03**	**592.18**	**1,035.96**	**1,049.89**	**1,039.64**

15 Equity share capital

A Equity share capital

Particulars	As at September 30, 2024		As at September 30, 2023		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised										
Equity Shares of ₹ 10/- each	176,001,000	17,600.10	176,001,000	17,600.10	176,001,000	17,600.10	176,001,000	17,600.10	176,001,000	17,600.10
	176,001,000	**17,600.10**	**176,001,000**	**17,600.10**	**176,001,000**	**17,600.10**	**176,001,000**	**17,600.10**	**176,001,000**	**17,600.10**
Issued, subscribed and fully paid up										
Equity Shares of ₹ 10/- each	56,851,538	568.52	56,851,538	568.52	56,851,538	568.52	56,851,538	568.52	56,851,538	568.52
	56,851,538	**568.52**	**56,851,538**	**568.52**	**56,851,538**	**568.52**	**56,851,538**	**568.52**	**56,851,538**	**568.52**

15.1 Rights, preferences and restrictions attached to equity shares

(a) Voting rights

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder of equity share is entitled for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

15.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period/year

Particulars	As at September 30, 2024		As at September 30, 2023		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the relevant period/year	56,851,538	568.52	56,851,538	568.52	56,851,538	568.52	56,851,538	568.52	56,851,538	568.52
Add: Shares issued and allotted during the period/year	-	-	-	-	-	-	-	-	-	-
At the end of the period/year	**56,851,538**	**568.52**	**56,851,538**	**568.52**	**56,851,538**	**568.52**	**56,851,538**	**568.52**	**56,851,538**	**568.52**

15.3 Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at September 30, 2024		As at September 30, 2023		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Carraro International S.E.	56,851,532	99.99%	56,851,532	99.99%	56,851,532	99.99%	56,851,532	99.99%	56,851,532	99.99%
Total	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

15.4 Details of shareholding of the promoters*

Promoter name	As at September 30, 2024		As at September 30, 2023		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Carraro International S.E.	56,851,532	99.99%	56,851,532	99.99%	56,851,532	99.99%	56,851,532	99.99%	56,851,532	99.99%
Total	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**	**56,851,532**	**99.99%**

**Promoter here means Promoter defined under Companies Act, 2013.*

15.5 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

No shares have been alloted for consideration other than cash by the Company. The Company has not issued bonus shares for the last five years.

15.6 There are no calls unpaid.

15.7 There are no forfeited shares.

16 Other equity

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Retained earnings	2,888.16	2,323.36	2,391.92	2,067.50	1,618.66
Capital reserve	680.40	680.40	680.40	680.40	680.40
Capital Redemption reserve	57.34	57.34	57.34	57.34	57.34
Total	**3,625.90**	**3,061.10**	**3,129.66**	**2,805.24**	**2,356.40**

16.1 Retained earnings

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period/year	**2,391.92**	**2,067.50**	**2,067.50**	**1,618.66**	**1,422.18**
Add: Restated Profit for the period/year	497.26	249.25	625.43	484.42	224.09
Add / (less): Restated Other Comprehensive income/(expense) for the period/year	(1.02)	6.61	8.09	14.42	(27.61)
Less: Dividend	-	-	(309.10)	(50.00)	-
Balance at the end of the period/year	**2,888.16**	**2,323.36**	**2,391.92**	**2,067.50**	**1,618.66**

Retained earnings are the profits that the Group has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the Group.

16.2 Capital reserve

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period/year	**680.40**	**680.40**	**680.40**	**680.40**	**680.40**
Add: Additions for the period/year	-	-	-	-	-
Balance at the end of the period/year	**680.40**	**680.40**	**680.40**	**680.40**	**680.40**

Capital reserve is created on account of

1. Amalgamation of Carraro India Private Limited with Turbo Gears India Private Limited - Rs. 902.40 millions and
2. Common control business combination whereby Carraro India Limited (Formerly known as Carraro India Private Limited) acquired 99.99% shares of Carraro Technologies India Private Limited from Carraro International S.E. (Ultimate Holding company) - Debit to capital reserve of Rs. 222.00 milions.

16.3 Capital Redemption reserve

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period/year	**57.34**	**57.34**	**57.34**	**57.34**	**57.34**
Add: Additions for the period/year	-	-	-	-	-
Balance at the end of the period/year	**57.34**	**57.34**	**57.34**	**57.34**	**57.34**

Capital Redemption reserve is created on account of buyback of equity shares in accordance with the provisions of section 68 of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014.

17 Non Controlling Interest

17.1 Entities that have non-controlling interest in subsidiary are listed below:

Paticulars	Non-controlling interest share				
	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cararro SpA	1.00%	1.00%	1.00%	1.00%	1.00%

17.2 Movement of Non-controlling interest

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the period/year	0.88	1.57	1.57	1.38	1.21
Add: Restated Profit for the period/year	0.08	0.12	0.20	0.17	0.17
Add: Remeasurement benefit during the period/year (net of tax)	0.00	0.01	0.01	0.02	0.00
Less: Dividend Paid	-	-	(0.90)	-	-
Balance at end of the period/year	**0.96**	**1.70**	**0.88**	**1.57**	**1.38**

18 Borrowings

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current borrowings					
Measured at amortised cost					
Secured					
Term Loans (Refer Note 18.1)					
- From Banks	1,042.46	651.62	772.15	860.15	857.24
Unsecured					
Loan from related parties (Refer note 38)	467.65	439.65	451.05	448.00	-
Total	**1,510.11**	**1,091.27**	**1,223.20**	**1,308.15**	**857.24**
Current borrowings					
Measured at amortised cost					
Secured					
Working capital loans repayable on demand from banks (Refer Note 18.2)	7.09	464.21	491.73	154.32	455.01
Current maturities of long term borrowings (Refer Note 18.1)					
- From banks	440.57	412.45	410.53	420.83	469.13
Total	**447.66**	**876.66**	**902.26**	**575.15**	**924.14**

18.1 Nature of Security and terms of repayment for secured and unsecured borrowings:

Nature of Facility	Repayment terms	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Secured						
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sep 2019	-	-	-	12.51	62.50
Rupee loan from Bank*	Repayable in 20 equal quarterly installments commencing from Mar 2020	9.09	45.40	27.24	63.56	99.88
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Mar 2020	-	18.90	-	56.68	132.06
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from July 2021	25.00	75.00	50.00	100.00	150.00
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	50.00	100.00	75.00	125.00	175.00
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	100.72	201.49	151.15	251.85	352.46
Rupee loan from Bank*	Repayable in 7 equal quarterly installments commencing from Dec 2021	-	-	-	10.00	50.00
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Dec 2024	341.25	420.00	393.71	419.96	-
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from June 2025	322.45	-	320.33	-	-
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from September 2025	220.00	-	-	-	-
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from September 2025	287.47	-	-	-	-
Rupee loan from Bank##	Repayable in 48 equal monthly installments commencing from June 2022	127.05	203.27	165.25	241.44	304.47
Unsecured foreign currency loan from related party **	Bullet repayment after 5 years 1 month from date of disbursement i.e. June 2022	467.65	439.66	451.05	448.00	-
Total		**1,950.68**	**1,503.72**	**1,633.73**	**1,728.98**	**1,326.37**
Less: Current Maturities of Long term Borrowings (Refer Note 18.2)		(440.57)	(412.45)	(410.53)	(420.83)	(469.13)
Net Long Term Borrowings		**1,510.11**	**1,091.27**	**1,223.20**	**1,308.15**	**857.24**

* First pari passu charge on entire property, plant and equipments (except land & building) and movable assets of the Company present and future. Interest rate on rupee loans varies in the range of 8.50% to 10.20%.

Second charge on entire current assets of the Company present and future. Interest rate on Emergency Credit Line Guarantee Scheme rupee loan is 9.25%.

**Interest rate on Unsecured foreign currency loan from related party is EURIBOR + 4.5%.

18.2 Working capital facilities from banks are secured by pari passu first charge on movable current assets, cash, inventory and book debts of the group, both present and future. Interest rate on Rupee working capital facility from bank is linked to the respective bank base rate and agreed spread and on working capital in foreign currency.

19 Lease liabilities

19.1 Details of lease liabilities

Particulars	Amount
Balance as at April 1, 2021	**48.23**
Recognised during the year	-
Finance cost accrued during the year	3.34
Derecognised during the year	-
Payment of lease liabilities	(10.19)
Balance as at March 31, 2022	**41.38**
Recognised during the year	1.63
Finance cost accrued during the year	2.82
Payment of lease liabilities	(11.56)
Balance as at March 31, 2023	**34.27**
Finance cost accrued during the year	2.18
Payment of lease liabilities	(12.21)
Balance as at March 31, 2024	**24.24**
For interim period reported	
Balance as at April 01, 2023	**34.27**
Finance cost accrued during the period	1.18
Payment of lease liabilities	(6.13)
Balance as at September 30, 2023	**29.32**
For interim period reported	
Balance as at April 01, 2024	**24.24**
Recognised during the period	143.30
Finance cost accrued during the period	4.26
Payment of lease liabilities	(11.81)
Balance as at September 30, 2024	**159.99**

19.2 Classification of lease liabilities

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current	142.66	18.72	12.96	24.24	32.90
Current	17.33	10.60	11.28	10.03	8.48
Total	**159.99**	**29.32**	**24.24**	**34.27**	**41.38**

19.3 The Group has taken vehicles on lease for a lease term of 4 years (Remaining lease term as on September 30, 2024: 1.5 years; September 30, 2023: 2.5 years; March 31, 2024: 2 years; March 31, 2023: 3 years) and has taken premises on lease for a lease term of 5 years (Remaining lease term as on on September 30, 2024: 2 years and as on September 30, 2023: 3 years; March 31, 2024: years; March 31, 2023: years; March 31, 2022: 4 years). The Group has also taken a solar power plant on lease for a lease term of 15 years (Remaining lease term as on September 30, 2024: 14.75 years).

19.4 Amount recognised in restated consolidated statement of profit and loss

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
- Amortisation expenses on right-of-use assets	8.85	6.19	12.31	12.20	11.92
- Interest expenses on lease liability	4.26	1.18	2.18	2.82	3.34
- Expenses related to short term leases (Refer note 32)	0.11	0.11	0.39	0.30	0.28

19.5 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis.

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Less than one year	31.81	12.40	12.08	11.66	10.19
One to five years	98.43	19.76	25.62	37.71	47.78
More than five years	153.22	-	-	-	-

19.6 The total cash outflows for leases during the period amounts to ₹ 11.92 millions (September 30, 2023: ₹ 6.24 millions, March 31, 2024: ₹ 12.6 millions, March 31, 2023: ₹ 11.86 millions, March 31, 2022: ₹ 10.47 millions) (includes cash outflow for short term and long term leases).

19.7 The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

19.8 The incremental borrowing rate applied to lease liabilities is in the range of 7.80% per annum to 9.75% per annum based on the lease term.

20 Provisions

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current					
Provision for employee benefits					
- Compensated absences	152.87	129.93	137.59	120.55	107.22
- Gratuity (Refer note 37)	234.43	204.66	217.68	204.06	194.79
- Retention bonus	8.53	16.19	13.75	19.82	8.76
- Long Term Incentive	-	-	-	27.20	10.80
Provision for warranty (Refer note 20.1, 20.2 and 20.3)	79.73	82.71	104.82	91.36	69.82
Total	**475.56**	**433.49**	**473.84**	**462.99**	**391.39**
Current					
Provision for employee benefits					
- Compensated absences	26.02	23.19	29.35	24.51	22.27
- Gratuity (Refer note 37)	23.24	20.56	22.18	19.95	21.10
- Retention bonus	43.67	17.82	37.14	8.06	32.70
- Short Term Incentive	9.85	38.20	49.21	-	-
Provision for warranty (Refer note 20.1, 20.2 and 20.3)	98.16	95.71	79.67	77.97	46.32
Provision for contingencies (Refer note 20.4)	103.90	100.37	102.90	85.36	68.95
Total	**304.84**	**295.85**	**320.45**	**215.85**	**191.34**

20.1 Provision is estimated for expected warranty claim in respect of products sold during the year based on past experience regarding defective claim of products and cost of rectification or replacement.

20.2 Movement in provision for warranty

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period/year	**184.49**	**169.33**	**169.33**	**116.14**	**96.42**
Add: Provisions made during the period/year	2.16	28.83	69.42	113.77	72.65
Less: Provisions utilised during the period/year	(8.76)	(19.74)	(54.26)	(60.58)	(52.93)
Balance at the end of the period/year	**177.89**	**178.42**	**184.49**	**169.33**	**116.14**

20.3 Product warranties: The Group gives warranties on its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period and beyond the warranty period at the discretion of the Group. Provisions made as at September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The final determination of the amount will depend upon the receipt of claim and its settlement thereof. The classification of the provision reflects the expected timing of cash outflow.

20.4 Movement in provision for contingencies

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period/year	**102.90**	**85.36**	**85.36**	**68.95**	**57.07**
Add: Provisions made during the period/year	1.00	15.01	17.54	16.41	11.88
Balance at the end of the period/year	**103.90**	**100.37**	**102.90**	**85.36**	**68.95**

20.5 Provision for contingencies are on account of certain legal matters where the Group anticipates probable outflow. The amount of provision is based on estimates made by the Group considering the facts and circumstances of each case. The timing and amount of cash flow that will arise from these matters will be determined by the relevant authorities only on settlement of these cases.

21 Trade payables

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of micro enterprises and small enterprises	405.67	478.43	492.99	589.31	540.74
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,159.69	3,408.26	3,161.95	3,691.60	3,745.87
Total	**3,565.36**	**3,886.69**	**3,654.94**	**4,280.91**	**4,286.61**

21.1 The average credit period on purchases is 30-75 days.

21.2 For explanations on the Group's liquidity risk management processes refer note 39.

21.3 Trade payables from related parties are disclosed separately under note 38.

21.4 Disclosures as required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period/year end	315.94	400.00	409.76	520.63	489.85
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period/year end	89.73	78.43	83.23	68.68	50.89
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period/year	709.53	1,322.29	2,291.59	2,011.28	1,868.29
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period/year	-	-	-	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the period/year	-	-	-	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	6.50	9.75	14.54	17.79	10.23
(g) Further interest remaining due and payable for earlier periods	83.23	68.68	68.68	50.89	40.66
(h) Amount of interest accrued and remaining unpaid at the end of the period/year (Refer Note 1 below)	89.73	78.43	83.23	68.68	50.89

Note:
1) The Group is required to pay interest to vendors which are MSME enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). As per the MSMED Act in case of non- payment to MSME Vendors for a period exceeding 45 days the company is required to make interest payment at the rate of 3 times of the bank rate on the due amount.

21.5 Ageing of trade payables

As at September 30, 2024

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	89.73	264.08	51.82	0.04	-	-	**405.67**
- Others	736.85	1,251.13	1,163.53	1.24	1.75	5.19	**3,159.69**
Disputed dues	-	-	-	-	-	-	
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**826.58**	**1,515.21**	**1,215.35**	**1.28**	**1.75**	**5.19**	**3,565.36**

As at September 30, 2023

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	78.44	238.06	161.93	-	-	-	**478.43**
- Others	656.85	1,482.89	1,254.08	4.60	0.91	8.93	**3,408.26**
Disputed dues	-	-	-	-	-	-	
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**735.29**	**1,720.95**	**1,416.01**	**4.60**	**0.91**	**8.93**	**3,886.69**

As at March 31, 2024

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	83.23	279.73	130.03	-	-	-	**492.99**
- Others	489.80	1,685.84	972.24	6.66	1.54	5.87	**3,161.95**
Disputed dues	-	-	-	-	-	-	
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**573.03**	**1,965.57**	**1,102.27**	**6.66**	**1.54**	**5.87**	**3,654.94**

As at March 31, 2023

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	68.68	240.94	279.69	-	-	-	**589.31**
- Others	225.35	2,262.99	1,182.41	4.96	7.60	8.29	**3,691.60**
Disputed dues	-	-	-	-	-	-	
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**294.03**	**2,503.93**	**1,462.10**	**4.96**	**7.60**	**8.29**	**4,280.91**

As at March 31, 2022

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	-	153.77	386.60	0.06	-	0.31	**540.74**
- Others	191.58	1,973.92	1,559.44	12.11	0.28	8.54	**3,745.87**
Disputed dues	-	-	-	-	-	-	
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**191.58**	**2,127.69**	**1,946.04**	**12.17**	**0.28**	**8.85**	**4,286.61**

22 Other current financial liabilities

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current					
Measured at amortised cost					
Creditors for capital supplies	54.75	57.78	40.95	36.20	126.40
Purchase consideration payable to related parties towards Business acquisitions (Refer Note 47)	-	239.82	239.82	239.82	239.82
Measured at fair value through profit or loss					
Derivatives					
- Foreign-exchange forward contract	-	13.68	13.15	0.07	-
Total	**54.75**	**311.28**	**293.92**	**276.09**	**366.22**

23 Other current liabilities

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advance from customers	49.90	37.19	23.76	37.27	23.42
Statutory remittances	58.45	48.20	112.93	130.01	98.92
Unearned revenue	5.67	0.66	-	-	-
Total	**114.02**	**86.05**	**136.69**	**167.28**	**122.34**

24 Current tax liabilities (net)

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Income tax [Net of advance tax (Rs 66.41 millions, September 30, 2023: Rs. 258.57 millions, March 31, 2023: Rs. 160.42 millions; March 31, 2022: Rs. 72.7 millions)]	106.45	51.92	0.27	27.90	9.85
Total	**106.45**	**51.92**	**0.27**	**27.90**	**9.85**

25 Revenue from operations

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of products	9,027.87	9,458.87	17,611.93	16,857.21	14,743.27
Rendering of services	78.49	102.50	185.11	180.28	159.81
Other operating income					
- Scrap sales	39.83	48.90	92.61	93.96	72.35
Total	**9,146.19**	**9,610.27**	**17,889.65**	**17,131.45**	**14,975.43**

25.1 Disaggregation of revenue

The tables below present disaggregated revenue from contracts with customers by business segment and nature of contract. The Group believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors. The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115.

Revenue from contracts with customers disaggregated based on geography	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic	5,955.68	6,110.48	11,412.99	10,531.12	9,419.47
Exports	3,150.68	3,450.89	6,384.05	6,506.37	5,483.61
Total revenue	**9,106.36**	**9,561.37**	**17,797.04**	**17,037.49**	**14,903.08**

25.2 The Group presently recognises its revenue from contract with customers for the transfer of goods at a point in time. This is consistent with the revenue information that is disclosed for reportable segment under Ind AS 108.

External revenue by timing of revenue	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Goods transferred at a point in time	9,027.87	9,458.87	17,611.93	16,857.21	14,743.27
Rendering of services	78.49	102.50	185.11	180.28	159.81
Total	**9,106.36**	**9,561.37**	**17,797.04**	**17,037.49**	**14,903.08**

25.3 The Group receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

25.4 Reconciliation of revenue recognised in the restated statement of profit and loss with the contracted price:

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Contracted price with the customers	9,106.36	9,561.37	17,797.04	17,037.49	14,903.08
Reduction towards variables considerations (Discounts, rebates, refunds, credits, price concessions)	-	-	-	-	-
Revenue from contracts with customers (as per the Restated statement of profit and loss)	**9,106.36**	**9,561.37**	**17,797.04**	**17,037.49**	**14,903.08**

25.5 There are no performance obligations that are unsatisfied or partially unsatisfied during the period/year ended September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022.

26 Other income

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets measured at amortised cost					
Bank deposits	0.61	1.94	2.90	1.87	1.46
Security deposit	0.20	0.19	0.38	0.36	0.34
	0.81	**2.13**	**3.28**	**2.23**	**1.80**
Income on financial assets measured at FVTPL					
Gain on sale of mutual funds	0.78	2.26	4.59	12.55	-
Fair value gain on investment	-	0.30	-	-	-
	0.78	**2.56**	**4.59**	**12.55**	**-**
Other non-operating income					
Export incentives	70.09	87.22	145.75	163.52	194.17
Gain on foreign exchange transactions (net)	0.42	-	-	-	-
Interest on VAT and GST refund	-	-	-	0.27	6.94
Liabilities no longer required written back	-	-	-	1.87	4.50
Sundry balance written back	-	-	8.78	0.87	-
Net gain on disposal of property, plant & equipment	1.28	3.06	3.10	0.22	5.38
Miscellaneous income	7.82	6.59	10.32	20.00	12.31
	79.61	**96.87**	**167.95**	**186.75**	**223.30**
Total	**81.20**	**101.56**	**175.82**	**201.53**	**225.10**

27 Cost of materials consumed

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A.Inventories at the beginning of the period					
Opening stock	1,911.71	1,836.60	1,836.60	1,800.09	1,495.82
B. Purchases					
Purchases	6,716.11	7,364.05	13,447.53	12,941.59	11,712.88
C.Inventories at the end of the period					
Closing stock	1,982.07	1,840.99	1,911.71	1,836.60	1,800.09
Total (A+B-C)	**6,645.75**	**7,359.66**	**13,372.42**	**12,905.08**	**11,408.61**

28 Changes in inventory of finished goods and work-in-progress

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Opening balance					
Finished goods	396.31	175.04	175.04	120.68	80.04
Work-in-progress	538.10	518.43	518.43	424.99	277.86
	934.41	**693.47**	**693.47**	**545.67**	**357.90**
B. Closing balance					
Finished goods	421.82	322.30	396.31	175.04	120.68
Work-in-progress	485.26	530.70	538.10	518.43	424.99
	907.08	**853.00**	**934.41**	**693.47**	**545.67**
Total changes in inventories of finished goods and work-in-progress (A-B)	**27.33**	**(159.53)**	**(240.94)**	**(147.80)**	**(187.77)**

29 Employee benefits expense

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	633.34	612.45	1,207.84	1,078.94	960.90
Contributions to provident and other funds (Refer note 37)	25.52	24.46	49.52	49.75	47.66
Gratuity Expense (Refer note 37)	18.60	17.76	36.16	35.47	30.89
Staff welfare expenses	75.56	67.82	141.20	140.44	133.81
Total	**753.02**	**722.49**	**1,434.72**	**1,304.60**	**1,173.26**

30 Finance costs

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest and finance charges on financial liabilities carried at amortised cost					
- Borrowings	100.61	97.95	195.26	171.12	141.36
- Lease liabilities	4.26	1.18	2.18	2.82	3.34
- Dues of micro enterprises and small enterprises (Refer Note 21.4)	6.50	9.75	14.54	17.79	10.23
Other borrowing costs including loan processing fees	5.64	2.14	3.96	4.52	5.73
Interest on delayed payment of taxes/others	1.93	0.30	8.91	1.62	1.57
Total	**118.94**	**111.32**	**224.85**	**197.87**	**162.23**

31 Depreciation and amortisation expenses

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 4)	198.21	195.22	394.07	364.58	330.60
Depreciation of right-of-use assets (Refer note 4)	8.85	6.19	12.31	12.20	11.92
Amortisation of intangible assets (Refer note 6)	15.79	9.08	25.00	17.58	16.54
Total	**222.85**	**210.49**	**431.38**	**394.36**	**359.06**

32 Other expenses

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Bad Debts written-off	-	-	-	-	1.75
Commission on Sales	0.54	0.62	1.19	1.16	0.72
Communication costs	1.29	1.31	2.72	2.49	3.06
Consumption of stores and spares	149.69	198.77	358.65	308.93	275.38
Corporate service charges	104.15	103.89	185.78	133.31	320.09
CSR Expenditure (Refer Note 32.4)	-	3.12	6.24	3.02	2.56
Director fees (Refer note 32.2)	9.90	-	-	-	-
Insurance	11.70	10.32	20.16	15.84	11.23
Legal and professional fees	19.30	27.58	134.78	56.44	44.38
Net loss on foreign currency transaction and translation	11.51	16.96	27.42	21.18	7.34
Packing, freight and forwarding charges	43.32	52.05	90.70	100.42	101.68
Payments to auditors (Refer Note 32.1)	5.46	5.46	10.95	6.86	6.74
Power and fuel	140.34	144.92	280.85	274.58	256.68
Printing and stationary	2.34	2.33	6.30	5.96	6.18
Allowance for doubtful debts (Refer note 13.4)	4.84	4.53	0.38	-	0.99
Rates and taxes	7.12	5.48	11.63	13.05	11.29
Rent	0.11	0.11	0.39	0.30	0.28
Repairs and maintenance:					
Plant and machinery	54.34	61.02	116.00	111.15	94.71
Buildings	14.10	20.53	36.93	34.24	33.35
Others	14.05	11.75	27.85	31.72	35.12
Royalty	44.52	222.45	256.00	421.22	407.50
Security expenses	12.06	11.83	23.54	20.20	19.30
Subcontracting expenses	124.01	163.55	283.13	299.23	233.48
Travelling and conveyance	4.79	7.33	14.33	14.90	7.15
Warranty expenses (net) (Refer Note 20.2)	2.16	28.83	69.42	113.77	72.65
Miscellaneous expenses	8.69	23.02	33.98	33.02	24.19
Total	**790.33**	**1,127.76**	**1,999.32**	**2,022.99**	**1,977.80**

32.1 Auditors remuneration and out-of-pocket expenses:

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditor:					
- Statutory audit	4.91	4.91	9.81	6.02	5.88
- Tax audit	0.35	0.35	0.70	0.57	0.54
- Other services (Refer note 32.3)	0.06	0.06	0.17	0.10	0.05
- Reimbursement of Expenses	0.14	0.14	0.27	0.17	0.27
Total	**5.46**	**5.46**	**10.95**	**6.86**	**6.74**

32.2 Directors' fees includes directors' sitting fees of Rs. 2.20 millions for the period/year ended September 30, 2024 (September 30, 2023 : Nil; March 31, 2024: Nil; March 31, 2023: Nil; March 31, 2022: Nil).

32.3 Other services is net of fees charged for IPO services of ₹ 22.22 millions which is recoverable from Holding company - Carraro International S.E. for the period ended September 30, 2024. (September 30, 2023 : Nil; March 31, 2024: Nil; March 31, 2023: Nil; March 31, 2022: Nil).

32.4 Expenses on corporate social responsibility

No.	Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Amount required to be spent by the Company during the period/year (under Section 135 of the Companies Act, 2013)	-	3.12	6.24	3.02	2.53
2	**Amount of expenditure incurred**					
	(i) Construction/acquisition of any asset	-	-	-	-	-
	(ii) On purposes other than (i) above	-	3.12	6.24	3.02	2.56
3	**Amount not spent during the period/year**					
	(i) Construction/acquisition of any asset	-	-	-	-	-
	(ii) On purposes other than (i) above	-	-	-	-	-
4	Amount of shortfall for the period/year	-	-	-	-	-
5	Amount of cumulative shortfall at the end of the period/year	-	-	-	-	-
6	Reason for shortfall	-	-	-	-	-
7	Amount yet to be spent/paid	-	-	-	-	-
8	Details of Related party transactions	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
9	Liability incurred by entering into contractual obligations	-	-	-	-	-
10	Nature of CSR activities:	-	Training & Education	Training & Education	Training & Education	Training & Education
	NAPS Apprenticeship	-	3.12	6.07	1.52	-
	Ranjangaon Grampanchayat	-	-	-	0.50	0.35
	Matoshree Seva Charitable Trust	-	-	0.17	1.00	-
	Dream Facility Services Pvt. Ltd.	-	-	-	-	1.95
	Aditeya Pharmaceuticals	-	-	-	-	0.26

a. Amount required to be spent by the Company under Section 135 of the Companies Act, 2013 has been calculated for the entire financial period/year.

33 Current tax and deferred tax expense/(credit)

33.1 Income tax expense recognised in the restated consolidated statement of profit and loss

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax:					
In respect of current period/year	173.14	132.28	248.23	190.32	89.76
Short provision of tax relating to earlier periods/years	-	-	(4.66)	(0.91)	2.25
	173.14	**132.28**	**243.57**	**189.41**	**92.01**
Deferred tax expense/ (credit) :					
In respect of current period/year	(1.31)	(42.01)	(25.48)	(18.12)	(8.93)
	(1.31)	**(42.01)**	**(25.48)**	**(18.12)**	**(8.93)**
Total tax expense recognised in the reporting period/year	**171.83**	**90.27**	**218.09**	**171.29**	**83.08**

33.2 Income tax recognised in restated other comprehensive income

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Deferred tax					
Remeasurement of defined benefit plans	0.35	(2.22)	(2.73)	(4.86)	9.28
Total	**0.35**	**(2.22)**	**(2.73)**	**(4.86)**	**9.28**

33.3 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Restated Profit before tax	669.17	339.64	843.72	655.88	307.34
Tax rate	**25.17%**	**25.17%**	**25.17%**	**25.17%**	**25.17%**
Income Tax using the Company's domestic Tax rate #	168.42	85.48	212.35	165.07	77.35
Effect of items that are not deductible in determining taxable profit	1.91	2.68	9.73	6.41	3.80
Income tax related to earlier period/year	-	-	(4.66)	(0.91)	2.25
Others	1.50	2.11	0.67	0.72	(0.32)
Income tax expense recognised in Restated Consolidated Statement of Profit and Loss	**171.83**	**90.27**	**218.09**	**171.29**	**83.08**

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

In pursuance of Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Group has opted for irrevocable option of shifting to lower tax rate w.e.f. FY 19-20.

33.4 The Group does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during any of the above years in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

34 Earnings per Equity Share

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Restated Consolidated Profit for the period / year	497.34	249.37	625.63	484.59	224.26
(b) Weighted average number of ordinary shares outstanding for the purpose of restated basic earnings per share (numbers)	56,851,538	56,851,538	56,851,538	56,851,538	56,851,538
(c) Effect of potential ordinary shares (numbers)	-	-	-	-	
(d) Weighted average number of ordinary shares in computing restated diluted earnings per share [(b) + (c)] (numbers)	56,851,538	56,851,538	56,851,538	56,851,538	56,851,538
(e) Restated Earnings per share on profit for the period / year (face value of ₹ 10/- each)					
– Basic [(a)/(b)] (₹)	8.75	4.39	11.00	8.52	3.94
– Diluted [(a)/(d)] (₹)	8.75	4.39	11.00	8.52	3.94

35 Contingent liabilities and commitments

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Contingent Liabilities **					
a) Income tax matters*#	1,926.07	1,631.61	1,796.07	1,548.52	1,607.73
b) Indirect tax matters	9.20	-	9.20	-	-
(ii) Capital commitments					
Estimated amount of contracts in capital account remaining to be executed [net of advances Rs. 125.59 millions (September 30,2023 : Rs. 5.49 millions , March 31, 2024 :Rs. 64.6 millions, March 31, 2023: Rs. 21.7 millions, March 31, 2022: Rs. 114.5 millions)]	375.51	485.55	381.88	183.64	356.34

* Claims against the Company not acknowledged as debts

Future cash flows in respect of above matter are determinable only on receipt of judgements / decisions pending at various forums / authorities.

The Group has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Group as deductions and such similar matters. Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. The Group has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Group has a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal. The amounts involved are based on the demand notices received by the Group.

35.1 The Group does not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

36 Segment information

36.1 The Group is primarily engaged in the business of manufacturing automotive equipments, parts and components development and export of design engineering services. In view of the same, the entire business has been considered as a single segment in terms of Ind AS 108 on Operating Segments. The Group has identified one operating segment which is consistent with the internal reporting provided to the Board of Directors, who has been identified as the chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segment of the Group.

36.2 Geographical information

The Group operates in two geographical environment i.e. in India and outside India.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Particulars	Revenue from External Customers				
	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Within India	5,955.68	6,110.48	11,412.99	10,531.12	9,419.47
Outside India	3,150.68	3,450.89	6,384.05	6,506.37	5,483.61
Total	**9,106.36**	**9,561.37**	**17,797.04**	**17,037.49**	**14,903.08**

All non-current assets of the Group are located within India.

36.3 Information about major customers

Included in revenue arising from sales of goods of ₹ 3,094.20 millions (period ended September 30, 2023 : ₹ 2,672.47 millions, year ended March 31, 2024 : ₹ 5,944.82 millions, year ended March 31, 2023: ₹ 7,241.07 millions, year ended March 31, 2022: ₹ 4,544.17 millions) and from rendering of design services of ₹ 104.76 millions (period ended September 30, 2023: ₹ 102.50 millions, year ended March 31, 2024: ₹ 205.71 millions, year ended March 31, 2023: ₹ 180.28 millions, March 31, 2022: ₹ 159.81 millions) which arose from sales to its major customers which accounts for the period/year ended 35.12% (September 30, 2023: 29.02 %; March 31, 2024: 33.53 %; March 31, 2023: 42.68 %, March 31, 2022: 30.78 %) of the total revenue from operations.

37 Employee benefit plans

37.1 Defined contribution plans:

The Group participates in Provident fund as defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to provident fund represents the value of contributions payable during the period by the Group at rates specified by the rules of provident fund. The only amounts included in the balance sheet are those relating to the prior months contributions that were not paid until after the end of the reporting period.

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the restated statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Group.

Contribution to defined contribution plans, recognised in the restated consolidated statement of profit and loss under employee benefits expense, are as under:

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Contribution to employees provident fund	25.52	24.46	49.36	48.95	47.66
ii) Contribution to employee state insurance scheme	-	-	0.16	0.80	-
Total	**25.52**	**24.46**	**49.52**	**49.75**	**47.66**

37.2 Defined benefit plans:

(a) Gratuity

The Group has an obligation towards gratuity, a unfunded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement or at death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Group does not make contributions to any funds.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out for the period ended September 30, 2024 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(A) Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.
Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
Variability in withdrawal rates : If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(2) Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

(3) Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(4) Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(B) Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1. Discount rate	6.78% - 6.84% p.a	7.40% -7.35% p.a.	7.20% p.a	7.30% - 7.41% p.a	6.95% - 7.30%
2. Salary escalation					
- Corporate	8.00% p.a	8.00% p.a	8.00% p.a	8.00% p.a	8.00% p.a
3. Expected return of Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4. Rate of employee turnover					
25 & Below	16% - 18%	16% - 18%	16% - 18%	16% - 18%	16% - 18%
25 to 35	8% - 18%	8% - 18%	8% - 18%	8% - 18%	8% - 18%
35 to 45	6% - 18%	6% - 18%	6% - 18%	6% - 18%	6% - 18%
45 to 55	13% - 18%	13% - 18%	13% - 18%	13% - 18%	13% - 18%
55 and above	7% - 18%	7% - 18%	7% - 18%	7% - 18%	7% - 18%
5. Mortality rate	Indian Assured Lives Mortality (2012-14) Table				

(C) Expenses recognised in the restated consolidated statement of profit and loss

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	10.37	9.84	20.32	21.28	21.48
Interest on net defined benefit liability / (asset)	8.24	7.92	15.84	14.18	9.41
Components of defined benefit cost recognised restated consolidated statement of profit and loss (Refer note 29)	**18.60**	**17.76**	**36.16**	**35.47**	**30.89**

The current service cost and the net interest expenses are included in the 'Employee benefits expenses' line item in the restated consolidated statement of profit and loss.

(D) Expenses recognized in the Restated Other Comprehensive Income (OCI)

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains)/losses on obligation					
- Due to changes in demographic assumptions	-	-	-	-	-
- Due to changes in financial assumptions	6.36	0.11	3.37	(7.89)	(45.98)
- Due to experience adjustment	(4.99)	(8.95)	(14.20)	(11.40)	82.87
Net (income)/expense for the year recognized in OCI	**1.37**	**(8.84)**	**(10.83)**	**(19.29)**	**36.89**

(E) Amount recognised in the restated consolidated statement of assets and liabilities

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of unfunded defined benefit obligation	257.67	225.22	239.86	224.01	215.89
Net liability arising from defined benefit obligation	**257.67**	**225.22**	**239.86**	**224.01**	**215.89**

(F) Net liability recognised in the restated consolidated statement of assets and liabilities

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current provision	234.43	204.66	217.68	204.06	194.79
Current provision	23.24	20.56	22.18	19.95	21.10
Total	**257.67**	**225.22**	**239.86**	**224.01**	**215.89**

(G) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation	239.87	224.01	224.01	215.89	154.86
Current service cost	10.37	9.84	20.32	21.28	21.48
Interest cost	8.24	7.92	15.84	14.18	9.41
Actuarial losses	1.38	(8.84)	(10.83)	(19.29)	36.89
Benefits paid	(2.19)	(7.71)	(9.48)	(8.05)	(6.75)
Closing defined benefit obligation	**257.67**	**225.22**	**239.86**	**224.01**	**215.89**

(H) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Year 1 cashflow	23.24	20.56	22.18	19.95	21.10
Year 2 cashflow	36.74	20.64	20.28	20.45	17.56
Year 3 cashflow	21.92	33.54	37.37	21.79	18.20
Year 4 cashflow	32.77	19.34	21.40	35.62	19.49
Year 5 cashflow	21.90	28.94	30.25	19.36	31.07
Year 6 to year 10 cashflow	109.29	97.39	102.93	102.92	95.07

(I) Sensitivity analysis

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous period/year.

Projected benefits payable in future periods/years from the date of reporting	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Projected benefit obligation on current assumptions					
Rate of discounting					
Impact of +0.5% change	248.97	217.56	231.77	216.30	205.97
(% change)	(2.12%) to (3.48%)	(2.12%) to (3.52%)	(2.13%) to (3.49%)	(2.17%) to (3.55%)	(2.34%) to (3.73%)
Impact of -0.5% change	266.90	233.38	248.49	232.21	222.01
(% change)	2.21% to 3.71%	2.21% to 3.75%	2.22% to 3.71%	2.26% to 3.78%	2.45% to 3.71%
Rate of salary increase					
Impact of +0.5% change	266.72	233.27	248.38	232.13	229.32
(% change)	2.17% to 3.64%	2.19% to 3.70%	2.19% to 3.67%	2.24% to 3.74%	2.41% to 3.92%
Impact of -0.5% change	249.05	217.58	231.79	216.31	206.01
(% change)	(2.10%) to (3.45%)	(2.12%) to (3.51%)	(2.12%) to (3.48%)	(2.16%) to (3.55%)	(2.33%) to (3.71%)

(J) Other disclosures

The weighted average duration of the obligations is 4.72 years to 7.59 years (September 30, 2023: 4.85 years to 7.86 years; March 31, 2024: 4.8 years to 7.61 years, March 31, 2023 is 4.92 years to 7.82 years; as at March 31, 2022: 5.03 years to 8.07 years).

38 Related party disclosures

38.1 Details of related parties

Description of relationship	Name of the related party
Ultimate Holding Company	Carraro SpA (Holding Company of Carraro International S.E.)
Holding Company	Carraro International S.E. (Direct Holding Company, w.e.f. August 01, 2020)
Subsidiary Company (where control exists)	Carraro Technologies India Private Limited (w.e.f. June 28, 2024)
Fellow Subsidiaries (With whom there are transactions during the period/year)	Carraro Argentina S.A.
	Carraro Finance S.A.
	Carraro Drive Tech Italia SpA
	Carraro China Drive Systems Co. Ltd.
	Carraro Drive Tech Do Brasil Ltda (wound up on August 18, 2021)
	Siap SpA
	Carraro Lux-Tech-R&D Center
Key Management Personnel	Balaji Gopalan, Managing Director
	Sudhendra Mannikar, Whole-time Director and Chief Operating Officer
	Nakul Patil, Company Secretary (December 02, 2024 onwards)
	Jui Bhargave, Company Secretary (From April 03, 2023 to October 17, 2024)
	Rakhi Makhloga, Company Secretary (upto January 12, 2023)
	Tomaso Mario Carraro, Director
	Enrico Elio Gomiero, Director
	Andrea Conchetto, Director (w.e.f July 03, 2024)
	Ettore Francesco Sequi, Director (w.e.f August 09, 2024)
	Matteo Bonino, Interim CFO (from July 03, 2024 to August 09, 2024)
	Davide Grossi, Whole-time Director and Chief Financial Officer (Chief Financial Officer - from February 08, 2023 to September 30, 2023, Chief Financial Officer from August 02, 2024 and Whole-time Director from August 09, 2024)

38.2 Transactions during the year with related parties

S. No.	Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Purchase of Raw Material**					
	Carraro SpA	4.07	8.61	17.18	14.46	6.96
	Siap SpA	252.08	324.23	647.48	467.19	346.93
	Carraro Drive Tech Italia SpA	53.94	70.20	136.58	140.70	120.75
	Carraro China Drive Systems Co. Ltd.	16.05	31.80	43.91	49.06	100.23
	Carraro Drive Tech Do Brasil Ltda	-	-	-	-	0.01
	Carraro Argentina S.A.	-	-	-	0.03	-
	Total	**326.14**	**434.84**	**845.15**	**671.44**	**574.88**
B	**Purchase of intangible assets**					
	Carraro SpA	-	-	271.08	-	-
	Total	**-**	**-**	**271.08**	**-**	**-**
C	**Purchase of fixed assets**					
	Carraro Drive Tech Do Brasil Ltda	-	-	-	-	7.89
	Carraro Drive Tech Italia SpA	-	-	-	1.87	-
	Total	**-**	**-**	**-**	**1.87**	**7.89**
D	**Royalty charged**					
	Carraro SpA	30.58	30.46	56.09	56.11	407.50
	Carraro Drive Tech Italia SpA	13.94	191.99	199.91	365.11	-
	Total	**44.52**	**222.45**	**256.00**	**421.22**	**407.50**
E	**Sale of Goods**					
	Carraro SpA	3.46	2.61	15.56	10.52	24.62
	Carraro Drive Tech Italia SpA	2,944.28	3,240.30	5,944.82	5,505.39	4,482.46
	Carraro China Drive Systems Co. Ltd.	85.07	41.18	95.78	90.98	103.59
	Carraro Argentina S.A.	9.88	0.99	4.92	17.35	26.08
	Siap SpA	0.68	2.75	6.05	5.16	4.47
	Total	**3,043.37**	**3,287.83**	**6,067.13**	**5,629.40**	**4,641.22**

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Notes to the Restated Consolidated Financial Information
All amounts are ₹ in Millions unless otherwise stated

S. No.	Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
F	**Sale of Fixed Assets**					
	Carraro Drive Tech Italia SpA	-	5.27	5.27	-	-
	Carraro China Drive Systems Co. Ltd.	-	-	0.58	-	-
	Total	**-**	**5.27**	**5.85**	**-**	**-**
G	**Other Services Rendered**					
	Carraro SpA	5.48	5.77	9.51	13.57	10.01
	Total	**5.48**	**5.77**	**9.51**	**13.57**	**10.01**
H	**Professional Fees**					
	Carraro SpA	14.98	15.18	91.49	23.98	10.79
	Carraro Finance S.A.	6.78	7.51	16.15	8.67	9.19
	Total	**21.76**	**22.69**	**107.64**	**32.65**	**19.98**
I	**Corporate Service Charges**					
	Carraro SpA	61.17	58.82	122.39	111.07	165.89
	Carraro Drive Tech Italia SpA	28.00	29.89	63.39	22.24	154.21
	Total	**89.17**	**88.71**	**185.78**	**133.31**	**320.10**
J	**Reimbursement of Expenses to**					
	Carraro SpA	-	1.44	1.44	-	9.69
	Carraro China Drive Systems Co. Ltd.	-	-	-	0.03	-
	Total	**-**	**1.44**	**1.44**	**0.03**	**9.69**
K	**Expenses Reimbursement received**					
	Carraro SpA	-	-	-	-	2.81
	Carraro China Drive Systems Co. Ltd.	1.25	-	-	0.22	1.71
	Carraro Drive Tech Italia SpA	5.17	0.98	1.19	6.41	0.73
	Carraro International S.E.	76.60	-	-	-	0.70
	Siap SpA	-	-	1.82	-	-
	Total	**83.02**	**0.98**	**3.01**	**6.63**	**5.95**
L	**Warranty Claims Paid**					
	Carraro Drive Tech Italia SpA	2.15	9.92	35.89	38.86	35.68
	Carraro China Drive Systems Co. Ltd.	-	-	-	-	0.67
	Total	**2.15**	**9.92**	**35.89**	**38.86**	**36.35**

S. No.	Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
M	**Remuneration paid**					
	Key managerial personnel					
	Balaji Gopalan	41.72	14.54	27.75	22.59	31.00
	Sudhendra Mannikar	27.59	9.01	17.94	14.32	19.40
	Davide Grossi	2.40	6.89	7.69	5.89	-
	Jui Bhargave	0.39	0.31	0.63	-	-
	Rakhi Makhloga	-	-	-	0.74	0.80
	Total	**72.10**	**30.75**	**54.01**	**43.54**	**51.20**
N	**Dividend Paid**					
	Carraro International S.E.	-	-	220.00	50.00	-
	Total	**-**	**-**	**220.00**	**50.00**	**-**
P	**Interest on Loan availed**					
	Carraro Finance S.A.	19.30	17.70	37.27	19.30	-
	Total	**19.30**	**17.70**	**37.27**	**19.30**	**-**
Q	**Sale of Design Services**					
	Carraro Lux-Tech-R&D Center	9.93	2.20	14.35	-	-
	Carraro SpA	68.01	100.30	170.75	180.28	159.81
	Total	**77.94**	**102.50**	**185.10**	**180.28**	**159.81**

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the related party transactions are reviewed and approved by board of directors.

38.3 Amounts outstanding with related parties

S. No.	Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A	**Trade Payables**					
	Carraro SpA	157.71	99.70	166.69	139.73	161.46
	Carraro Drive Tech Italia SpA	86.79	200.12	134.89	416.14	179.53
	Siap SpA	181.44	150.30	205.18	144.05	79.24
	Carraro China Drive Systems Co. Ltd.	9.27	15.68	3.80	0.94	41.88
	Carraro Finance S.A.	13.26	12.41	12.60	0.98	3.27
	Carraro Argentina S.A.	-	-	-	0.00	-
	Total	**448.48**	**478.20**	**523.16**	**701.84**	**465.38**
B	**Trade Receivables**					
	Carraro SpA	39.50	74.58	46.19	77.50	77.75
	Carraro International S.E.	8.85	-	-	-	7.03
	Carraro Drive Tech Italia SpA	419.88	1,292.42	821.94	997.07	462.91
	Carraro Argentina S.A.	12.41	8.77	13.63	34.30	21.78
	Siap SpA	0.00	3.61	0.24	0.65	0.54
	Carraro China Drive Systems Co. Ltd.	18.00	11.87	13.58	24.71	28.03
	Carraro Lux-Tech-R&D Center	5.30	2.18	8.44	-	-
	Total	**503.95**	**1,393.43**	**904.02**	**1,134.23**	**598.04**
C	**Loans Outstanding**					
	Carraro Finance S.A.	467.65	439.65	451.05	448.00	-
	Total	**467.65**	**439.65**	**451.05**	**448.00**	**-**
D	**Unearned revenue**					
	Carraro SpA	4.90	0.65	-	-	-
	Carraro Lux-Tech-R&D Center	0.72	0.01	-	-	-
	Total	**5.62**	**0.66**	**-**	**-**	**-**
E	**Other financial assets**					
	Carraro International S.E.	76.60	-	-	-	-
	Total	**76.60**	**-**	**-**	**-**	**-**

The amount outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of amounts owed by related parties.
Further, the Group has neither given nor availed any guarantee from related parties

Compensation of key managerial personnel
The remuneration of the key management personnel of the Company, is set out below in aggregate for each of the categories specified in Ind AS 24:

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	72.10	30.75	54.01	43.54	51.20
Post-employment benefits	-	-	-	-	-
Total	**72.10**	**30.75**	**54.01**	**43.54**	**51.20**

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Group as a whole.

(b) All decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Group, in accordance with shareholders' approval, wherever necessary.

38.4 Related party transactions eliminated during the period/year while preparing the Restated Consolidated Financial Information

1 Carraro India Limited (Formerly known as Carraro India Private Limited)

S. No.	Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Other Services Rendered**					
	Carraro Technologies India Private Limited	1.54	0.93	2.70	2.03	2.28
	Total	**1.54**	**0.93**	**2.70**	**2.03**	**2.28**
B	**Professional Fees**					
	Carraro Technologies India Private Limited	26.27	-	20.60	-	-
	Total	**26.27**	**-**	**20.60**	**-**	**-**
C	**Rent and other expenses**					
	Carraro Technologies India Private Limited	2.01	2.01	3.92	3.42	9.02
	Total	**2.01**	**2.01**	**3.92**	**3.42**	**9.02**

2 Carraro Technologies India Private Limited

S. No.	Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Sale of Design Services**					
	Carraro India Limited (Previously 'Carraro India Private Limited')	26.27	-	20.60	-	-
	Total	**26.27**	**-**	**20.60**	**-**	**-**
B	**Other Services**					
	Carraro India Limited (Previously 'Carraro India Private Limited')	2.01	2.01	3.92	3.42	9.02
	Total	**2.01**	**2.01**	**3.92**	**3.42**	**9.02**
C	**Legal and professional Fees**					
	Carraro India Limited (Previously 'Carraro India Private Limited')	1.54	0.93	2.70	2.03	2.28
	Total	**1.54**	**0.93**	**2.70**	**2.03**	**2.28**

38.5 Amounts outstanding with related parties as at the period/year end eliminated while preparing the Restated Consolidated Financial Information

1 Carraro India Limited (Formerly known as Carraro India Private Limited)

S. No.	Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A	**Trade Payables**					
	Carraro Technologies India Private Limited	14.54	2.85	18.99	0.08	0.69
	Total	**14.54**	**2.85**	**18.99**	**0.08**	**0.69**
B	**Trade Receivables**					
	Carraro Technologies India Private Limited	0.88	1.39	0.68	0.46	0.61
	Total	**0.88**	**1.39**	**0.68**	**0.46**	**0.61**

2 Carraro Technologies India Private Limited

S. No.	Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A	**Trade Payables**					
	Carraro India Limited (Formerly known as Carraro India Private Limited)	0.88	1.39	0.68	0.46	0.61
	Total	**0.88**	**1.39**	**0.68**	**0.46**	**0.61**
B	**Trade Receivables**					
	Carraro India Limited (Formerly known as Carraro India Private Limited)	14.54	2.85	18.99	0.08	0.69
	Total	**14.54**	**2.85**	**18.99**	**0.08**	**0.69**

39 Financial instruments and risk management

39.1 Capital risk management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt offset by cash and bank balances and total equity of the Group.

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Long term debt*	1,652.77	1,109.99	1,236.16	1,332.39	890.14
Short term debt*	464.99	887.26	913.54	585.18	932.62
Less: Cash and cash equivalents	(970.03)	(592.18)	(1,035.96)	(1,049.89)	(1,039.64)
Net debt	**1,147.73**	**1,405.07**	**1,113.74**	**867.68**	**783.12**
Total Equity	**4,194.42**	**3,629.62**	**3,698.18**	**3,373.76**	**2,924.92**
Net debt to equity ratio	**0.27**	**0.39**	**0.30**	**0.26**	**0.27**
Debt to equity ratio	**0.50**	**0.55**	**0.58**	**0.57**	**0.62**

* Debt comprises of current and non-current borrowings and lease liabilities

The Group has not defaulted on any loans payable, and there has been no breach of any loan covenants.

No changes were made in the objectives, policies or processes for managing capital during the period end September 30, 2024 and September 30, 2023 and year ended March 31, 2024, March 31, 2023 and March 31, 2022.

39.2 Categories of financial instruments

The following table provides categorisation of all financial instruments

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Financial assets					
Measured at fair value through profit and loss (FVTPL)					
(a) Other financial assets - Derivatives	18.87	-	-	-	-
(b) Investment in mutual funds	-	60.30	-	-	-
Measured at amortised cost					
(a) Trade receivable	2,556.19	3,279.93	2,427.16	3,033.89	2,570.41
(b) Cash and cash equivalent	970.03	592.18	1,035.96	1,049.89	1,039.64
(c) Other financial assets	50.15	46.17	47.72	38.69	26.99
(d) Other Receivables	76.60	-	-	-	-
Total financial assets	**3,671.84**	**3,978.58**	**3,510.84**	**4,122.47**	**3,637.04**
Financial liabilities					
Measured at fair value through profit and loss (FVTPL)					
(a) Other financial liabilities - Derivatives	-	13.68	13.15	0.07	-
Measured at amortised cost					
(a) Borrowings	1,957.77	1,967.93	2,125.46	1,883.30	1,781.38
(b) Lease liabilities	159.99	29.32	24.24	34.27	41.38
(c) Trade payables	3,565.36	3,886.69	3,654.94	4,280.91	4,286.61
(d) Other financial liabilities	54.75	297.60	280.77	276.02	366.22
Total financial liabilities	**5,737.87**	**6,195.22**	**6,098.56**	**6,474.57**	**6,475.59**

39.3 Financial risk management objectives

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise cash and bank balance, trade and other receivables that derive directly from its operations.

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Company's senior management team oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's borrowings comprise of loans from related parties which bear a floating rate of interest.

b. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables and receivables. The year end unhedged foreign currency exposures are given below:

Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a). Trade receivables:					
In EURO	3,629,142	10,368,163	7,136,904	5,906,363	6,109,782
Equivalent in ₹ million	339.43	911.67	643.82	505.07	517.19
In USD	1,223,988	1,745,553	1,152,551	1,472,980	1,369,054
Equivalent in ₹ million	102.55	144.97	96.09	121.09	103.77
In CNY	1,342,276	-	1,437,077	-	-
Equivalent in ₹ million	16.03	-	16.58	-	-
(b). Bank balances in EEFC accounts:					
In USD	201,628	293,716	303,751	189,862	1,381,513
Equivalent in ₹ million	16.89	24.39	25.32	15.61	104.72
In EURO	8,788,467	2,089,397	5,607,187	8,361,952	5,798,222
Equivalent in ₹ million	821.99	183.72	505.82	749.23	490.82
(c). Trade payables:					
In EURO	10,956,708	10,130,040	11,623,807	14,371,555	11,701,199
Equivalent in ₹ million	1,024.78	890.73	1,048.58	1,287.69	990.51
In USD	643,459	2,123,840	1,057,175	9,877,121	2,381,981
Equivalent in ₹ million	53.91	176.38	88.14	812.00	180.55
In JPY	45,600,000	-	45,600,000	-	38,900,000
Equivalent in ₹ million	26.95	-	25.12	-	24.21
In CNY	5,437,420	-	3,619,804	-	-
Equivalent in ₹ million	64.93	-	41.76	-	-

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonable possible change in exchange rate, with all other variables held constant. The impact on the Group's restated profit before tax due to changes in the fair value of monetary assets and liabilities is as follows:

Impact on Profit/(Loss) before tax for the year

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(a). Trade receivables:					
EURO currency:					
0.50% increase (%)	1.70	4.56	3.22	2.53	2.59
0.50% decrease (%)	(1.70)	(4.56)	(3.22)	(2.53)	(2.59)
USD currency:					
0.50% increase (%)	0.51	0.72	0.48	0.61	0.52
0.50% decrease (%)	(0.51)	(0.72)	(0.48)	(0.61)	(0.52)
CNY currency:					
0.50% increase (%)	0.08	-	0.08	-	-
0.50% decrease (%)	(0.08)	-	(0.08)	-	-
(b). Bank balances in EEFC accounts:					
USD currency:					
0.50% increase (%)	0.08	0.12	0.13	0.08	0.52
0.50% decrease (%)	(0.08)	(0.12)	(0.13)	(0.08)	(0.52)
EURO currency:					
0.50% increase (%)	4.11	0.92	2.53	3.75	2.45
0.50% decrease (%)	(4.11)	(0.92)	(2.53)	(3.75)	(2.45)
(c). Trade payables:					
EURO currency:					
0.50% increase (%)	(5.12)	(4.45)	(5.24)	(6.44)	(4.95)
0.50% decrease (%)	5.12	4.45	5.24	6.44	4.95
USD currency:					
0.50% increase (%)	(0.27)	(0.88)	(0.44)	(4.06)	(0.90)
0.50% decrease (%)	0.27	0.88	0.44	4.06	0.90
JPY currency:					
0.50% increase (%)	(0.13)	-	(0.13)	-	(0.12)
0.50% decrease (%)	0.13	-	0.13	-	0.12
CNY currency:					
0.50% increase (%)	(0.32)	-	(0.21)	-	-
0.50% decrease (%)	0.32	-	0.21	-	-

c. Commodity price risk

The Group's operating activities require the ongoing purchase of various commodities for manufacture of automotive parts. However, the movement in commodity prices are substantially adjusted through price differences as per customer contracts and hence commodity price risk for the Company is also considered to be low.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

a. Trade receivables

The Group has adopted a policy of only dealing with counterparties that have sufficient credit rating. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Group has applied a simplified approach under Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables.

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

Liquidity risk table

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Upto 1 year	1-5 years	Total
September 30, 2024			
Lease liabilities	31.81	98.43	**130.24**
Borrowings	447.66	-	**447.66**
Trade payables	3,565.36	-	**3,565.36**
Other financial liabilities	54.75	-	**54.75**
Total	**4,099.58**	**98.43**	**4,198.01**
September 30, 2023			
Lease liabilities	12.40	19.76	**32.16**
Borrowings	876.66	-	**876.66**
Trade payables	3,886.69	-	**3,886.69**
Other financial liabilities	311.28	-	**311.28**
Total	**5,087.03**	**19.76**	**5,106.79**
March 31, 2024			
Lease liabilities	12.08	25.62	**37.70**
Borrowings	902.26	1,223.20	**2,125.46**
Trade payables	3,654.94	-	**3,654.94**
Other financial liabilities	293.92	-	**293.92**
Total	**4,863.20**	**1,248.82**	**6,112.02**
March 31, 2023			
Lease liabilities	11.66	37.71	**49.37**
Borrowings	575.15	1,308.15	**1,883.30**
Trade payables	4,280.91	-	**4,280.91**
Other financial liabilities	276.09	-	**276.09**
Total	**5,143.81**	**1,345.86**	**6,489.67**
March 31, 2022			
Lease liabilities	10.19	47.78	**57.97**
Borrowings	924.14	857.24	**1,781.38**
Trade payables	4,286.61	-	**4,286.61**
Other financial liabilities	366.22	-	**366.22**
Total	**5,587.16**	**905.02**	**6,492.18**

The above table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

39.4 Disclosure relating to Derivatives and Forward Contracts

The Company enters into Derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecast transactions. These contracts include contracts entered under contracted exposures. Mark to market gain/(loss) of Rs. 32.02 millions, (Rs. 13.61 millions), (Rs. 13.08 millions) and (Rs. 0.07 millions) is recognized in the Restated statement of Profit and Loss for the period/year then ended September 30, 2024, September 30, 2023, March 31, 2024 and March 31, 2023 respectively.

Following are the outstanding forward contracts entered into by the Group.

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
To buy EURO (Hedge of foreign currency loan & other payables)					
Currency value	5,000,000	5,000,000	5,000,000	5,000,000	-
Rs. In millions	467.65	439.65	451.05	448.00	-

40 Fair Value Measurement

40.1 Fair value of the financial assets and liabilities that are measured at fair value on a recurring basis

Financial assets/ financial liabilities measured at fair value	Fair value as at					Fair value hierarchy	Valuation technique(s) and key input(s)
	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022		
A) Financial liabilities						Level 2	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. Since all significant inputs required to fair value for this instrument are observable, the instrument is included in level 2.
Derivatives	-	13.68	13.15	0.07	-		
- Foreign-exchange forward contract							
B) Financial assets							
Derivatives	18.87	-	-	-	-		
- Foreign-exchange forward contract							

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

40.2 Fair value of financial assets and financial liabilities that are measured at amortised cost:

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

41 Disclosure as per Section 186 of the Companies Act, 2013

No loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given by the Company.

42 Ratio Analysis and its elements

Percentage change has been compared for the two periods ended September 30, 2024 and September 30, 2023, separately from comparison of percentage change for the years ended March 31, 2024, March 31, 2023 and March 31, 2022. As such, the ratios for the two periods ended September 30, 2024 and September 30, 2023, and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 are not comparable. No percentage variance has been provided for September 30, 2023 since there are no comparative figures.

a) Current Ratio = Current assets divided by Current liabilities

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current assets	6,786.04	7,032.00	6,709.42	7,164.69	6,746.89
Current liabilities	4,610.41	5,519.05	5,319.81	5,553.21	5,908.98
Ratio (In times)	**1.47**	**1.27**	**1.26**	**1.29**	**1.14**
% Change from previous period/year	**15.75%**		**(2.33%)**	**13.16%**	**-**

b) Return on Equity Ratio = Restated profit after tax divided by average equity

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Restated Profit after tax	497.34	249.37	625.63	484.59	224.26
Average equity*	3,946.30	3,501.69	3,535.97	3,149.34	2,826.68
Ratio (In %)	**12.60%**	**7.12%**	**17.69%**	**15.39%**	**7.93%**
% Change from previous period/year	**76.97%**		**14.99%**	**93.95%**	

*Average equity represents the average of opening and closing total equity.

Reason for change more than 25%:

Improvement in ratio is due to increase in profit on account of increased sales and reduction in material cost and other expenses. (For September 30, 2024 period and for the year ended March 31, 2023)

c) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of goods sold *	6,673.08	7,200.13	13,131.48	12,757.28	11,220.84
Average Inventory #	2,887.20	2,635.65	2,708.74	2,459.71	2,119.25
Ratio (In times)	**2.31**	**2.73**	**4.85**	**5.19**	**5.29**
% Change from previous period/year	**(15.39%)**		**(6.53%)**	**(2.04%)**	

* Cost of goods sold comprises of purchases of materials and changes in inventories of Work-in-progress and Finished goods

Average inventory represents the average of opening and closing total inventory.

d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Credit Sales*	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Average Trade Receivables #	2,491.68	3,156.91	2,730.53	2,802.15	2,672.99
Ratio (In times)	**3.67**	**3.04**	**6.55**	**6.11**	**5.60**
% Change from previous period/year	**20.58%**		**7.16%**	**9.12%**	

* Credit sales includes sale of products and scrap sales.

Trade receivables is included gross of ECL and net of customer advances. Average Trade receivables represents the average of opening and closing trade receivables.

e) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Credit Purchases	6,716.11	7,364.05	13,447.53	12,941.59	11,712.88
Average Trade Payables #	3,575.55	4,037.36	3,926.73	4,239.59	4,006.14
Ratio (In times)	**1.88**	**1.82**	**3.42**	**3.05**	**2.92**
% Change from previous period/year	**2.89%**		**10.86%**	**4.22%**	

Trade payable included payables for purchases and excludes employee payables. Average Trade payable represents the average of opening and closing trade payables.

f) Net Working Capital Turnover Ratio = Sales divided by Net Working capital

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations (A)	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Current Assets (B)	6,786.04	7,032.00	6,709.42	7,164.69	6,746.89
Current Liabilities (C)	4,610.41	5,519.05	5,319.81	5,553.21	5,908.98
Net Working Capital (D = B - C)	2,175.63	1,512.95	1,389.61	1,611.48	837.91
Ratio (In times) (E = A / D)	**4.20**	**6.35**	**12.87**	**10.63**	**17.87**
% Change from previous period/year	**(33.82%)**		**21.10%**	**(40.52%)**	

Reason for change more than 25%:
Increase in net working capital is more than increase in revenue, hence there is a decrease in the net capital turnover ratio. (For September 30, 2024 period and for the year ended March 31, 2023)

g) Net profit ratio = Restated profit after tax divided by Sales

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Restated Profit after tax	497.34	249.37	625.63	484.59	224.26
Sales	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Ratio (In %)	**5.44%**	**2.59%**	**3.50%**	**2.83%**	**1.50%**
% Change from previous period/year	**109.56%**		**23.63%**	**88.89%**	

Reason for change more than 25%:
Increase in net profit ratio is driven by an increase in the profit which is a result of reduction in material cost and other expenses (for September 30, 2024 period). Increase in revenue and reduction in raw material prices and other expenses resulted in increase in net profit ratio (for the year ended March 31, 2023).

h) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Restated Profit before tax (A)	669.17	339.64	843.72	655.88	307.34
Finance cost (B)	118.94	111.32	224.85	197.87	162.23
EBIT (C) = (A+B)	**788.11**	**450.96**	**1,068.57**	**853.75**	**469.57**
Tangible net worth *(D)	3,884.41	3,544.48	3,374.04	3,320.61	2,864.85
Total debt ** (E)	2,117.76	1,997.25	2,149.70	1,917.57	1,822.76
Deferred tax liability (F)	-	-	-	-	7.57
Capital Employed (G)=(D+E+F)	**6,002.17**	**5,541.73**	**5,523.74**	**5,238.18**	**4,695.18**
Ratio (In %)	**13.13%**	**8.14%**	**19.35%**	**16.30%**	**10.00%**
% Change from previous period/year	**61.36%**		**18.69%**	**62.97%**	

*Tangible net worth = Net worth (Shareholder's fund) -Intangible assets -Deferred tax assets

** Debt comprises of current and non-current borrowings and lease liabilities

Reason for change more than 25%:

Increase in Return on Capital Employed is due to increase in profitability. (For September 30, 2024 period and for the year ended March 31, 2023).

i) Debt Equity ratio = Total debt divided by Total Equity

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total debt *	2,117.76	1,997.25	2,149.70	1,917.57	1,822.76
Shareholder's funds	4,194.42	3,629.62	3,698.18	3,373.76	2,924.92
Ratio (In times)	**0.50**	**0.55**	**0.58**	**0.57**	**0.62**
% Change from previous period/year	**(8.98%)**		**2.22%**	**(9.64%)**	

* Debt comprises of current and non-current borrowings and lease liabilities

j) Debt service coverage ratio= Earnings available for debt services divided by total interest and principal repayments

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Restated Profit after tax (A)	497.34	249.37	625.63	484.59	224.26
- Depreciation and amortisation (B)	222.85	210.49	431.38	394.36	359.06
- Finance cost (C)	118.94	111.32	224.85	197.87	162.23
- Profit on disposal of property, plant & equipment (D)	(1.28)	(3.06)	(3.10)	(0.22)	(5.38)
Total Non-cash operating expenses and finance cost (Pre-tax) (E= B+C+D)	**340.51**	**318.75**	**653.13**	**592.01**	**515.91**
Earnings available for debt services (F = A + E)	**837.85**	**568.12**	**1,278.76**	**1,076.60**	**740.17**
Debt service					
Lease payments (G)	6.13	11.81	12.21	11.56	10.19
Principal and interest repayments (H)	1,957.77	1,967.93	2,125.46	1,883.30	1,781.38
Total interest and principal repayments (I = G + H)	**1,963.90**	**1,979.74**	**2,137.67**	**1,894.86**	**1,791.57**
Ratio (In times) (J = F / I)	**0.43**	**0.29**	**0.60**	**0.57**	**0.41**
% Change from previous period/year	**48.67%**		**5.29%**	**37.53%**	

Reason for change more than 25%:

Increase in ratio due to increase in profits which is a result of reduction in material cost and other expenses (for September 30, 2024 period).
Increase in ratio due to increase in profits and reduction in short term borrowings (for the year ended March 30, 2023).

k) Return on Investment = Profit divided by cost of investment: NA

This ratio is not applicable since the Company does not have any projects/investments other than current operations.

43 Additional regulatory information as required by Schedule III to the Companies Act, 2013

a. The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

b. The Group has not traded or invested in Crypto currency or Virtual Currency during each reporting period.

c. There were no Scheme of Arrangements entered by the Group during each reporting period, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

d. The Group does not have any transactions with struck off Companies.

e. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

g. The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

h. The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

i. There are no loans or advances given to promoters, directors, KMPs and related parties.

j. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

k. The Group does not have any unpaid dividend and hence has not transferred any such account to the Investor Education Protection Fund during the period.

44 First-time adoption of Ind-AS

44.1 Reconciliation of total equity as at March 31, 2023 and April 1, 2022

Sr No.	Particulars	Note no.	As at March 31, 2023	As at April 1, 2022
I	**Total equity (shareholder's funds) under previous GAAP**		**3,422.53**	**3,003.05**
	Total equity under previous GAAP pertaining to entities acquired through business combination under common control	e	157.80	139.31
	Adjusted total equity (shareholder's funds) under previous		**3,580.33**	**3,142.36**
II	Effect of eliminations due to consolidation of entities/businesses under common control		-	-
III	**Ind AS Adjustments:**			
	Change in Inventory valuation	a	48.34	32.91
	Depreciation and interest on Right-of-use asset and lease liabilities	c	(1.80)	(1.16)
	Creation of capital reserve on account of business	e	(222.00)	(222.00)
	Adjustments for equity pertaining to in business combinations under common control	e	(17.82)	(17.82)
	Deferred tax impact	d	(11.71)	(7.99)
	Total		**(205.00)**	**(216.06)**
IV	**Total adjustments to equity (II+III)**		**(205.00)**	**(216.06)**
V	**Total equity and Non-controlling interest under Ind AS (I+IV)**		**3,375.33**	**2,926.30**

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Notes to the Restated Consolidated Financial Information
All amounts are ₹ in Millions unless otherwise stated

44.2 Reconciliation of Total comprehensive Income for the year ended March 31, 2023

Sr No.	Particulars	Note no.	For Year ended March 31, 2023
I	**Profit after tax as per previous GAAP**		
	Profit after tax as per previous GAAP		469.51
	Profit under previous GAAP pertaining to entities acquired through business combination under common	e	18.49
	Total profit after tax as per previous GAAP		**488.00**
	Effect of eliminations due to consolidation of entities / businesses under common control		-
	Adjusted profit after tax		**488.00**
II	**Ind AS Adjustments:**		
	Change in Inventory valuation	a	15.43
	Gratuity impact as per valuation	b	(19.29)
	Depreciation and interest on Right-of-use asset and lease liabilities	c	(0.69)
	Deferred tax impact	d	1.15
	Total adjustments to profit		**(3.40)**
III	**Profit after tax under Ind AS**		**484.60**
IV	**Other comprehensive income**		
	Remeasurement of defined benefit plans	b	19.29
	Deferred tax impact	d	(4.87)
	Total comprehensive income under Ind AS		**14.42**
	Total comprehensive income under Ind AS (III+IV)		**499.02**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

44.3 Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2023.

Particulars	Note	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from operating activities	44.4	834.95	(32.81)	802.15
Net cash used in investing activities	44.4	(617.65)	-	(617.65)
Net cash used in financing activities	44.4	(187.49)	32.80	(154.69)
Net increase/ (decrease) in cash and cash equivalents		**29.81**	**-**	**29.81**
Cash and cash equivalents at the start of year		1,039.64	-	1,039.64
Effect of exchange rate changes on cash and cash equivalents		(19.56)	-	(19.56)
Cash and cash equivalents at the end of year		**1,049.89**	**-**	**1,049.89**

44.4 Notes to first-time adoption:

a. Inventory valuation

The entity has changed the cost formula applied in measuring inventory from lower of "weighted average cost or current cost" to "weighted average cost". This change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry.

b. Actuarial gains and losses

The impact is on account of measurement of employee benefits obligations as per Ind AS 19. Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability / asset, are recognised in the Other Comprehensive Income (OCI) under Ind AS instead of profit or loss.

c. Amortization and interest on Right of use asset and lease liabilities

The impact is on account of measurement of leases as per Ind AS 116. Under previous GAAP, lease in which a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases. Payments made under operating leases were charged to the statement of Profit and Loss on a straight-line basis over the period of the lease. However, as per Ind AS 116, the Company generally recognises for all leases as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

d. Deferred Tax

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

e. Adjustments on account of business combination under common control

The amount of total equity and profit pertaining to the entity acquired through business combinations under common control has been included in the amounts as per previous GAAP in the above reconciliation on account of restatement of prior period information as required under Appendix C of Ind AS 103.

45 Statement of restatement adjustments to audited financial statements

45.1 Reconciliation between audited equity and restated equity

Particulars	Note	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total equity as per Special Purpose Consolidated Ind AS financial statements		**4,195.38**	**3,631.32**	**3,699.06**	**3,375.33**	**2,926.30**
Restatement Adjustments		-	-	-	-	-
Total equity as per Restated Consolidated financial information		**4,195.38**	**3,631.32**	**3,699.06**	**3,375.33**	**2,926.30**

45.2 Reconciliation between audited profit and restated profit

Particulars	Note	For the period ended September 30, 2024	For the period ended September 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Comprehensive Income as per Special Purpose Consolidated Ind AS financial statements		**496.32**	**255.99**	**633.73**	**499.02**	**196.65**
Restatement Adjustments		-	-	-	-	-
Restated Consolidated Total Comprehensive Income		**496.32**	**255.99**	**633.73**	**499.02**	**196.65**

45.3 Material Regrouping

Appropriate regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities and Restated Consolidated Statement of Profit and Loss, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the accounting policies and classification as per Special Purpose Consolidated Ind AS financial statements of the group for the period ended September 30, 2024 prepared in accordance with Schedule III of Companies Act, 2013, requirements of IND AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.

46 The Company has conducted a detailed benchmarking analysis in respect of its international transactions with its associated enterprises as required under Section 92D of the Income-tax Act,1961, read with rule 10D of the Income-tax Rules, 1962 for the period ended September 30, 2024. Based on such analysis, the Group's Management is of the opinion that its international transactions are at 'arm's length' and that Group is in compliance with the transfer pricing regulations.

47 Business combination

During the period ended September 30, 2024, Cararro India Limited directly acquired subsidiary - Carraro Technologies India Private Limited from Carraro International S.E. who ultimately controls both entities, both before and after the business combination. These transactions were in the nature of acquisition of the assets and liabilities by acquisition of the equity stake from the existing shareholders.

Pursuant to the requirements of Appendix C of the Ind AS 103, these business combinations under common control are accounted for using the pooling of interest method. Consequently, the financial information of the Group, includes the financial information of the businesses transferred by the transferor to the transferee and has been restated from the earliest period presented in the restated consolidated financial information of the Group.

The details of the business combinations, the carrying value of the assets, liabilities and reserves acquired and harmonized as per the revised accounting policies, and the resultant capital reserve are given below.

Nature of business combination	Transferee	Transferor	Date
Acquisition of subsidiary through inter-se transfer from promoter group	Cararro India Limited	Carraro International S.E.	28-Jun-24

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Notes to the Restated Consolidated Financial Information
All amounts are ₹ in Millions unless otherwise stated

Identifiable assets acquired and liabilities assumed on acquisition of subsidiary

Particulars	Amount
As at April 01, 2021	
ASSETS	
1) Non-current assets	
a) Property, plant and equipment	9.36
b) Right-of-use assets	49.71
c) Intangible assets	9.27
d) Financial assets	
i) Other financial assets	6.18
e) Deferred tax assets (net)	4.57
f) Income tax assets (net)	2.58
Total non-current assets	**81.67**
2) Current assets	
a) Financial assets	
i) Trade receivables	97.05
ii) Cash and cash equivalents	12.56
b) Other current assets	34.38
Total current assets	**143.99**
TOTAL ASSETS	**225.66**
EQUITY & LIABILITIES	
Equity	
b) Other equity	103.79
Total	**103.79**
Liabilities	
1) Non-current liabilities	
a) Financial liabilities	
i) Lease liabilities	41.09
b) Provisions	17.06
Total non-current liabilities	**58.15**
2) Current liabilities	
a) Financial liabilities	
i) Lease liabilities	6.69
ii) Trade payables	
(a) Total outstanding dues of micro and small enterprise	-
(b) Total outstanding dues of creditors other than micro	28.71
b) Other current liabilities	4.03
c) Provisions	6.29
Total current liabilities	**45.72**
Total liabilities	**103.87**
Net assets and reserves transferred	**18.00**
Purchase consideration payable in Cash	(239.82)
Non controlling interest	(0.18)
Capital Reserve as on April 1, 2021	**(222.00)**
Capital Reserve as on March 31, 2022	**(222.00)**
Capital Reserve as on March 31, 2023	**(222.00)**
Capital Reserve as on March 31, 2024	**(222.00)**
For the interim period reported	
Capital Reserve as on September 30, 2023	**(222.00)**
Capital Reserve as on September 30, 2024	**(222.00)**

Details of purchase consideration payable at the end of each reporting period:

Particulars	Amount
Purchase consideration payable as at April 01, 2021	**239.82**
Paid during the year	-
Purchase consideration payable as at March 31, 2022	**239.82**
Paid during the year	-
Purchase consideration payable as at March 31, 2023	**239.82**
Paid during the year	-
Purchase consideration payable as at March 31, 2024	**239.82**
For the interim period reported	
Purchase consideration payable as at April 01, 2023	**239.82**
Paid during the period	-
Purchase consideration payable as at September 30, 2023	**239.82**
Purchase consideration payable as at April 01, 2024	**239.82**
Paid during the period	(239.82)
Purchase consideration payable as at September 30, 2024	**-**

48 Additional information

Information as at and for the year ended September 30, 2024

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Carraro India Limited	103%	4,340.08	98%	489.44	119%	(1.21)	98%	488.23
Subsidary								
Carraro Technologies India Private Limited	2%	95.10	2%	7.92	-19%	0.19	2%	8.11
Non controlling interest								
in Carraro Technologies India Private Limited	0%	0.96	0%	0.08	0%	0.00	0%	0.08
Inter Company elimination and consolidation adjustments	-6%	(240.76)	0%	(0.10)	0%	(0.00)	0%	(0.10)
Total	**100%**	**4,195.38**	**100%**	**497.34**	**100%**	**(1.02)**	**100%**	**496.32**

Information as at and for the year ended September 30, 2023

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Carraro India Limited	102%	3,702.25	95%	237.5	91%	6.02	95%	243.52
Subsidary								
Carraro Technologies India Private Limited	5%	168.88	5%	11.91	9%	0.60	5%	12.51
Non controlling interest								
in Carraro Technologies India Private Limited	0%	1.70	0%	0.12	0%	0.01	0%	0.13
InterCompany elimination and consolidation adjustments	-7%	(241.50)	0%	(0.16)	0%	(0.01)	0%	(0.17)
Total	**100%**	**3,631.32**	**100%**	**249.37**	**100%**	**6.62**	**100%**	**255.99**

Information as at and for the year ended March 31, 2024

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Carraro India Limited	104%	3,851.86	97%	605.81	90%	7.31	97%	613.12
Subsidary								
Carraro Technologies India Private Limited	2%	86.99	3%	19.83	10%	0.79	3%	20.62
Non controlling interest								
in Carraro Technologies India Private Limited	0%	0.88	0%	0.20	0%	0.01	0%	0.21
Inter Company elimination and consolidation adjustments	-7%	(240.87)	0%	(0.23)	0%	0.00	0%	(0.23)
Total	**100%**	**3,698.86**	**100%**	**625.61**	**100%**	**8.11**	**100%**	**633.72**

Carraro India Limited (Formerly known as Carraro India Private Limited)
CIN: U52609PN1997PLC132629
Notes to the Restated Consolidated Financial Information
All amounts are ₹ in Millions unless otherwise stated

Information as at and for the year ended March 31, 2023

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Carraro India Limited	102%	3,458.74	97%	468.01	90%	13.02	96%	481.03
Subsidary								
Carraro Technologies India Private Limited	5%	156.38	3%	16.56	10%	1.41	4%	17.97
Non controlling interest								
in Carraro Technologies India Private Limited	0%	1.57	0%	0.17	0%	0.01	0%	0.18
InterCompany elimination and consolidation adjustments	-7%	(241.56)	0%	(0.18)	0%	(0.00)	0%	(0.18)
Total	**100%**	**3,375.13**	**100%**	**484.56**	**100%**	**14.44**	**100%**	**499.00**

Information as at and for the year ended March 31, 2022

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Carraro India Limited	103%	3,027.71	93%	207.69	100%	(27.67)	92%	180.02
Subsidary								
Carraro Technologies India Private Limited	5%	138.40	7%	16.55	0%	0.06	8%	16.61
Non controlling interest								
in Carraro Technologies India Private Limited	0%	1.38	0%	0.17	0%	0.00	0%	0.17
InterCompany elimination and consolidation adjustments	-8%	(241.36)	0%	(0.29)	0%	(0.00)	0%	(0.29)
Total	**100%**	**2,926.13**	**100%**	**224.12**	**100%**	**(27.61)**	**100%**	**196.51**

For and on behalf of Board of Directors of **Carraro India Limited**
(Formerly known as Carraro India Private Limited)

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Balaji Gopalan
Managing Director
DIN - 07108093

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership No - A39990

Place: Pune
Date: December 02, 2024

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 ("**Audited Financial Statements**") are available at https://www.carraroindia.com/investors/financial-information. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon, do not and will not constitute, (i) a part of the Draft Red Herring Prospectus, (ii) this Red Herring Prospectus, or (iii) the Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, 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 SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements and the reports thereon, should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain. None of the Group or any of its advisors, nor any Book Running Lead Managers 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	As at and for the six months ended		As at and for the Fiscal ended		
	September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Basic EPS[(1)] (in ₹)	8.75	4.39	11.00	8.52	3.94
Diluted EPS[(2)] (in ₹)	8.75	4.39	11.00	8.52	3.94
EBITDA[(3)] (in ₹ million)	1,010.96	661.45	1,499.95	1,248.11	828.63
Net Worth[(4)] (in ₹ million)	4,194.42	3,629.62	3,698.19	3,373.76	2,924.92
RoNW[(5)] (%)	11.85%	6.87%	16.91%	14.36%	7.66%
Net asset value per Equity Share[(6)] (in ₹)	73.78	63.84	65.05	59.34	51.45

Notes:

1. *Basic EPS = Profit for the year / Weighted average number of ordinary shares (numbers)*
2. *Diluted EPS = Profit for the year / Weighted average number of ordinary shares (numbers)*
3. *EBITDA = Restated profit before tax for the year + finance cost, depreciation and amortization expenses*
4. *Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
5. *Return on Net Worth (in %) is calculated as profit after tax for the year divided by the Net Worth at the end of the respective year.*
6. *Net asset value per Equity Share = Total equity attributable to owners of the Company/ Weighted average number of ordinary shares (numbers)*

For a reconciliation of non-GAAP measures, see "***Management's Discussion and Analysis of our Results of Operations – Non-GAAP Financial Measures***" on page 372.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2024, derived from our Restated Consolidated Financial Information and as adjusted for the Offer. This table should be read in conjunction with "***Risk Factors***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 25, 279 and 350, respectively:

(in ₹ million, except ratios)

Particulars	Pre-Offer as at September 30, 2024	As adjusted for the Offer*
Borrowings		
Non-current borrowings# (I)	1,510.11	
Current borrowings# (II)	447.66	
Total borrowings (III = I + II)	1,957.77	
Equity		
Equity share capital (IV)	568.52	
Other equity (V)	3,625.90	Refer notes below
Non controlling interest (VI)	0.96	
Total equity (VII = IV + V+ VI)	4,195.38	
Total Capitalisation (VIII = III + VII)	6,153.15	
Ratio: Non-current borrowings / Total equity (I/VII)(%)	35.99	
Ratio: Total borrowings / Total equity (IX = III / VII)(%)	46.66	

** There will be no change post the Offer since it is an initial public offering by way of an Offer for Sale by the Promoter Selling Shareholder.*
These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.
Note: The above has been computed on the basis of amounts derived from the Restated Consolidated Financial Information.

FINANCIAL INDEBTEDNESS

Our Company avails credit facilities in their ordinary course of business for purposes including meeting working capital requirements, general corporate purposes and other business requirements. For details regarding the borrowing powers of our Board, see "***Our Management – Borrowing Powers***" on page 259. Further, as on October 31, 2024, our Subsidiary, CTIPL does not have any outstanding financial indebtedness.

The summary of the financial indebtedness of our Company as at October 31, 2024, is as set forth below:

(in ₹ million)

Nature of borrowing	Sanctioned amount as at October 31, 2024	Amount outstanding as at October 31, 2024
A. Secured borrowings		
Working capital facilities		
(a) Fund based	1,490.00	57.78
(b) Non-fund based	580.00	142.70
Term loans	2,544.67	1,435.20
Total secured borrowings (A)	**4,614.67**	**1,635.68**
B. Unsecured borrowings		
Term loan [#]	456.25	456.25
Total unsecured borrowings (B)	**456.25**	**456.25**
Total (A+B)	**5,070.92**	**2,091.93**

[*] *As certified by J.C. Bhalla & Co., Chartered Accountants, by way of their certificate dated December 16, 2024.*
[#] *Comprises external commercial borrowings availed by the Company from Carraro Finance S.A.*

Key terms of our borrowings

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

(a) *Tenor and interest rate*: The tenor of the term loans ranges from sixty months to 7 years (including a moratorium period ranging from one to two years) and our working capital facilities typically have a tenor of ninety days to 36 months.

The term loans have been sanctioned typically at floating rates of interest linked to repo rate and/ or marginal cost of funds based lending rate, ranging from 8.10% to 9.40% per annum and the rate of interest of the working capital demand facilities ranges up to 9.40% per annum which is linked to the marginal cost of funds based lending rate. While the commission and rate of interest of the letter of credit facility ranges from 0.40% per annum, the other cash credit facilities have been sanctioned at floating rates of interest. Further, the interest rate of the external commercial borrowings availed by our Company is linked to the 3-month EURIBOR interest rate.

(b) *Security*: The external commercial borrowings availed by our Company from Carraro Finance S.A. is unsecured. Our secured borrowings are typically secured by:

(i) first *pari passu* charge by way of hypothecation on moveable fixed assets including machinery, equipment, entire stocks of raw materials, finished as well as unfinished goods and such other moveables, present and future;

(ii) first *pari passu* charge over stocks and debtors of the Company; and

(iii) second ranking charge over existing primary and collateral securities including mortgage created in favour of the lender.

(c) *Repayment*: Most of our facilities are typically repayable in accordance with the repayment schedules in the facility documents or are repayable as a bullet payment on the maturity date or repayable on demand in case of working capital facilities. The external commercial borrowings availed by us are repayable on July 31, 2027 or five years one month from the date of the first drawdown, whichever is later.

(d) *Prepayment:* Certain borrowings availed by our Company have prepayment provisions which allow for prepayment of the outstanding loan amount at any given point in time, subject to terms and conditions stipulated under the facility documents. Certain lenders may charge prepayment penalty of up to 2% or

at such rate as may be advised by the lender at the time of request of prepayment of outstanding principal amount, together with interest due in full or in part before the due dates. Further, under certain facilities we are required to provide prior notice of minimum 15 days before pre-paying the loan amount.

(e) *Restrictive Covenants:* Under the borrowing arrangements entered into by our Company, we require the relevant lender's prior written consent for carrying out certain actions, including:

(i) change in shareholding pattern, ownership and control of the Company, which may include reduction/ dilution or change in promoter(s) shareholding/ change in promoter directorship resulting in change in management control;

(ii) making any amendments to the Memorandum of Association and Articles of Association;

(iii) change in the management/ operating structure or composition of the Board and key managerial personnel of the Company;

(iv) change in the structure of the group, including by way of expansion, investment, etc.; and

(v) change in the capital structure of the Company.

(f) *Events of Default:* Our borrowing arrangements prescribe the following events of default, including among others:

(i) non-compliance and/or breach of any terms and conditions of the facility documents;

(ii) default in repayment of facilities;

(iii) usage of loan for any other purpose other than the purpose for which the it was sanctioned;

(iv) failure to create security, or security created is in jeopardy or ceases to have effect, or failure to avail inadequate insurance of properties and assets offered as security;

(v) cross default under any arrangement for the facilities extended by any other lender;

(vi) cessation or threat to cease carrying on the business; and

(vii) Any other events, conditions or circumstances, which in the opinion of the lender would or is likely to prejudicially or adversely affect in any manner the capacity of the Company to repay the loan.

(g) *Consequences of occurrence of events of default:* Our borrowing arrangements prescribe the following consequences of occurrence of events of default, including among others:

(i) appoint nominee directors on the Board;

(ii) acceleration of repayment of the facilities;

(iii) enforcement of security;

(iv) revocation or cancellation of the sanctioned facilities; and

(v) convert outstanding debt into equity share capital of our Company.

This is an indicative list and there may be additional terms that may require the consent of the relevant lenders, the breach of which may amount to an event of default under various borrowing arrangements entered into by our Company, and the same may lead to consequences other than those stated above. We have obtained the necessary consents required under the relevant loan documentation for undertaking the activities in relation to the Offer. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – Our Company has a high working capital requirement. If we are unable to comply with repayment and other covenants in our financing agreements, our business, financial condition, cash flows and credit rating could be adversely affected.***" on page 38.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for the six months ended September 30, 2024 and September 30, 2023, Fiscal 2024, Fiscal 2023 and Fiscal 2022. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Information. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Consolidated Financial Information, including the related annexures.

*In June 2024, we completed our acquisition of CTIPL. As our Company and CTIPL were under common control before and after our acquisition of CTIPL, pursuant to the requirements of Appendix C of the Ind AS 103, the Restated Consolidated Financial Information as of and for the six months ended September 30, 2023 and as of and for Fiscals ended March 31, 2024, 2023 and 2022 has been restated to include the financial information for CTIPL in the relevant period and Fiscals. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with "**Our Business**", "**Risk Factors**", "**Industry Overview**" and "**Restated Consolidated Financial Information**" beginning on pages 195, 25, 131 and 279, respectively as well as financial and other information contained in this Red Herring Prospectus as a whole. Additionally, please refer to "**Definitions and Abbreviations**" beginning on page 1 for definition of certain terms used in this section.*

*Our financial year ends on March 31 of each year. Accordingly, references to "Fiscal 2024", "Fiscal 2023" and "Fiscal 2022", are to the 12-month period ended March 31 of the relevant year. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 25 and 23, respectively.*

*We have included certain Non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with Indian GAAP, Ind AS, IFRS or U.S. GAAP. Such measures and indicators are not defined under Indian GAAP, Ind AS, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Indian GAAP, Ind AS, IFRS or U.S. GAAP. In addition, some of these measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, therefore limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to Non-GAAP measures, see "**Risk Factors – Internal Risks – We track certain operational metrics and non-GAAP measures for our operations. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation**" on page 64.*

*Our Restated Consolidated Financial Information has been prepared in accordance with Ind AS and restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note. Ind AS differs in certain material respects from IFRS and U.S. GAAP. See "**Risk Factors – External Risks – Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition**" on page 67.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled 'Strategic Analysis of the Indian Agricultural Tractor and Construction Vehicle Component Market' dated December 5, 2024 prepared and issued by Markets and Markets Research Private Limited, which has been commissioned and paid for by us and prepared, only for the purposes of understanding the industry exclusively in connection with the Offer (the "**Markets and Markets Report**"). The Markets and Markets Report will be made available on the website of our Company at https://www.carraroindia.com/investors/investor-information/other-documents from the date of this Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Markets and Markets Report and included herein with respect to any particular fiscal or calendar year, refers to such information for the relevant period or Fiscal or calendar year. For further details, see "**Risk Factors – Internal Risks – We have used information from the Markets and Markets Report which we commissioned for industry related data in**

this Red Herring Prospectus and any reliance on such information is subject to inherent risks*" and "****Industry Overview****" on pages 57 and 131, respectively. The Markets and Markets Report has been designated a material document for inspection in connection with the Offer. See "****Material Contracts and Documents for Inspection****" on page 488.*

All references to the "Carraro Group" refer to Carraro S.p.A. and any company that is (i) directly or indirectly owned or controlled by Carraro S.p.A., or (ii) is under the same direct or indirect ownership or control of Carraro S.p.A., unless otherwise specified.

Overview

We are a technology driven integrated supplier that develops complex engineering products and solutions for our original equipment manufacturer ("**OEM**") customers. We are an independent tier 1[3] solution provider of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India. We support the full value chain of services as a solution provider for axles, transmission systems, gears and other related components with in-house product design manufacturing capabilities.

Our Promoter, Carraro S.p.A., is the parent company of the Carraro Group which designs, manufactures and sells transmission systems (axles, transmissions and drives) mainly for agricultural and construction equipment for off-highway vehicles, in addition to marketing a wide range of gears for diverse sectors, from automotive to trucks to agricultural and construction vehicles. The Carraro brand is owned by Carraro S.p.A. and licensed to us pursuant to a licensing agreement with Carraro S.p.A.

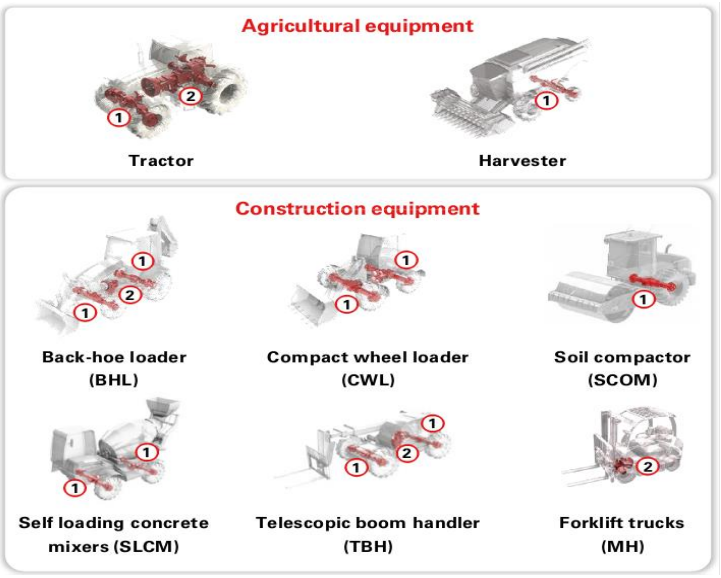
According to the Markets and Markets Report, our Company was among the pioneers to enter the agricultural tractor and construction vehicle component market with its dedicated R&D team and center as the Carraro Group entered India in 1997 and established its manufacturing facility in Pune and R&D center in 2006 (see page 180 in "***Industry Overview***"). We have been present in India for 27 years and have developed an extensive network with local and international customers and suppliers based in India. As an early-mover, we have had more time than our competitors to understand the market, identify customer needs and develop lasting customer relationships. As a result of our customized products, we believe our customers are subject to high switching costs in case of a change of manufacturer.

We primarily manufacture axles and transmission systems for agricultural tractors and construction vehicles such as backhoe loaders, soil compactors, cranes, self-loading concrete mixers and small motor graders. Our products are mission critical for our customers, as our products constitute important components of our customers' final products. We provide a diverse range of products including axles and transmission systems of different HP ranges for off-highway vehicles in the agricultural tractor and construction vehicle sectors, as well as gears, shafts and ring gears for industrial and automotive vehicles. The following graph sets out our offering of axles and transmission systems:

	Agricultural tractor			Construction vehicle		
Axles						
	30 – 50 HP	49 – 135 HP	50 – 75 HP	Steering Axle 1 - 9.5 T UVW	Rigid Axle 1-9.5 T UVW	Rigid Hypoid Axle 5 - 17 T UVW
Transmission Systems						
	T40 & T50	50-90 HP	Upto 150 HP	TCB80	TCB80SPS	Hydrostatic Infinitely Variable

The following graph sets out the application of our transmission systems and axles:

[3] According to the Markets and Markets Report, Tier 1 suppliers are suppliers which supply manufactured products directly to an OEM (see page 179 in *"**Industry Overview**"*).



Notes:
1. *Axles*
2. *Transmissions*

We also supply gears mainly used in industrial and automotive markets, spare parts which are primarily loose components of agricultural tractors and construction vehicles and other products which are non-core parts of agricultural tractors and construction vehicles.

Established in 1997, our Company started manufacturing transmission systems and axles in 1999 and 2000, respectively. We started to manufacture products for the Indian market by understanding our customer needs, leveraging the Carraro Group's research and development ("**R&D**") capability and knowhow to design and produce our products based on market trends, procuring materials at optimal costs from our supplier base and manufacturing our products in our own plants.

CTIPL was established in 2006 and focused on R&D of axles, transmission systems and other components of agricultural tractors and construction vehicles as an engineering service provider to Carraro S.p.A.'s global R&D center. Historically, CTIPL has participated in the design and development of products of the Carraro Group as a service provider and has focused on R&D of axles, transmission systems and other components of agricultural tractors and construction equipment. On October 1, 2023, Carraro S.p.A. transferred the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company and entered into an engineering service agreement with our Company to provide engineering support services on the maintenance of products and child parts to support our development needs. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***" on pages 249 and 250, respectively. In June 2024, we completed our acquisition of CTIPL at a consideration of ₹ 239.82 million, after which CTIPL has become our Subsidiary. The acquisition was conducted at arms' length basis and the consideration for such transaction was determined based on the valuation report dated June 20, 2024 issued by Rathi Rathi and Co., Chartered Accountants, pro-rated by the number of our acquired equity shares of CTIPL. As a result of the acquisition, we acquired the R&D center in Pune, Maharashtra, India and the R&D team of CTIPL. The transfer of the foregoing IP rights and our acquisition of CTIPL, together with the engagement of Carraro S.p.A. to support our development needs, enabled us to further strengthen our R&D offering and to integrate the design, R&D and manufacturing capabilities of our products, which is pivotal in enhancing our competitive position in India. For further details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years – Acquisition of Carraro Technologies India Private Limited***" on page 248.

According to the Markets and Markets Report, the Company's comprehensive service offering sets it apart from other players in the Indian market (see page 180 in "***Industry Overview***"). According to the Markets and Markets

Report, our Company's ability to provide a seamless, end-to-end experience for our customers – from initial design and customization to material procurement, in-house manufacturing, supply chain management, delivery, and after-sales service – is a key differentiator (see page 180 in "***Industry Overview***"). For further details of the R&D capabilities of CTIPL which we acquired in June 2024, see "**– *Strengths – Strong, in-house R&D capabilities with proprietary IP rights to facilitate innovation of future-ready products***" and "**– *Product Design, Research and Development***" on pages 205 and 219, respectively.

We own and operate two manufacturing plants in Pune, Maharashtra, India, which are the driveline manufacturing plant occupying a plot area of approximately 84,000 square meters and the gears manufacturing plant occupying a plot area of approximately 78,000 square meters. The manufacturing plants are equipped with technologies including the casting machining, assembly, prototyping, testing and painting in our driveline manufacturing plant and the gears machining, heat treatment (carburizing, induction, hardening and nitriding) technologies in our gears manufacturing plant. Our gears manufacturing plant also holds the IATF 16949:2016 quality management certification. The following table sets forth the production capabilities of our driveline manufacturing plant and our gear manufacturing plant in the six months ended September 30, 2024 and 2023 and the past three Fiscals:

Particulars	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
Number of axles produced at our driveline manufacturing plant (1)	42,144	36,223	68,961	74,342	72,654
Number of transmission systems produced at our driveline manufacturing plant (1)	19,635	27,091	46,579	47,055	47,129
Number of other components produced (loose trumpet and loose drop box) at our driveline manufacturing plant (1)	8,112	11,853	14,066	10,772	11,503
Capacity utilization of our driveline manufacturing plant (%) (2)	76.83%	88.84%	81.07%	80.20%	82.27%
Number of gears, shafts, ring gears and other related components produced at our gear manufacturing plant (1)	903,999	969,498	1,618,845	1,676,707	1,525,468
Capacity utilization of our gear manufacturing plant (%) (2)	71.42%	89.78%	89.94%	93.15%	84.75%

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Notes:

(1) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.

(2) As all products vary significantly in terms of value addition, cost, weight, input resources etc., the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where, production is drastically reduced due to fewer customer orders, no weightage is given.

For further details, see *"***– *Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization****"* on page 223.

Over the years, we have built customer relationships through decades of close collaboration and supply of our customized products. As of September 30, 2024, we supply to 38 manufacturers in India. Further, as of September 30, 2024, we also supplied to manufacturers internationally, to some of whom we export through Carraro Drive Tech Italia S.p.A., the Carraro Group's driveline business leader. For a distribution of customers by product sectors, see "– ***Strengths – Customer-centric offering of customized solutions to a longstanding OEM customer base***" on page 202. Our key customers are primarily India-based OEMs including large domestic OEMs and international OEMs with Indian subsidiaries or operations. We have long-term relationships with our top 10 customers based on their revenue contribution on consolidated groups basis as of September 30, 2024, which have continuously engaged us for at least 15 years. For further details, see "**– *Description of Our Business and Operations – Sales and Distribution – Customer Relationships and Network***" on page 232.

Our Company has received various accolades and recognition from our customers and received various awards, including the following:

Calendar year in which the recognition was received	Accolades and Recognition
2024	• "Corporate Social Responsibility" award for outstanding contribution towards CSR activities from Manitou • "Best in Spares Parts" award and "long-term relationship" certification from Escorts Kubota Limited • "Special Appreciation Award (Extraordinary Support)" from a customer
2023	• "Best SPD Performance (Farm Division)" award in recognition of outstanding performance achieved for Fiscal 2023 from Mahindra • "Decade of Dedication Award 2023" by Dynapac
2022	• "Annual Commodity Award (Forging – Farm Division)" in recognition of superior performance for Fiscal 2022

We have developed expertise in the agricultural tractor and construction vehicle industry in India and have developed a network of 220 suppliers based in eight states in India and 58 suppliers internationally. We have engaged our top 10 suppliers as of September 30, 2024 based on percentage of cost of materials consumed for an average of 15 years.

We have a stable management team, consisting of our Key Managerial Personnel and Senior Management. This team has been with our Company for an average of more than 11.3 years. Our management team has diversified experience in business, manufacturing, supply chain and financial management. For further details, see **"*Our Management*"** on page 253.

Our unique positioning as a key supplier to OEM customers, backed by 27 years of operating experience in India, competitive R&D and manufacturing capabilities and long-standing customer and supplier networks, have enabled us to deliver growth over the years in terms of our profitability, return on equity and return on capital employed. The table below sets forth our selected financial and operating metrics as of and for the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022:

Particulars	For six months ended September 30,		As at/ for Fiscal ended March 31,			CAGR (Fiscal 2022 to Fiscal 2024)
	2024	2023	2024	2023	2022	
	(in ₹ million, unless otherwise specified)					
Revenue from operations	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43	9.32%
Revenue by product sector	9,106.36	9,561.37	17,797.04	17,037.49	14,903.08	9.30%
– Agricultural Tractor	4,250.34	4,263.90	7,933.86	8,323.09	7,459.03	3.13%
– Construction Vehicle	3,576.03	3,965.72	7,271.77	6,477.44	5,325.70	16.85%
– Others	1,201.50	1,229.25	2,406.30	2,056.68	1,958.54	10.60%
Revenue by geography						
India	5,955.68	6,110.48	11,412.99	10,531.12	9,419.47	10.07%
Exports [(1)]	3,150.68	3,450.89	6,384.05	6,506.37	5,483.61	7.90%
– European Union	3,027.09	3,350.11	6,164.34	5,885.77	4,907.91	12.07%
– Asia (other than India)	90.85	42.86	142.53	104.46	119.98	8.99%
– Americas	24.48	33.27	77.00	516.14	455.72	(58.89)%
– Rest of the world	8.26	24.65	0.18	0.00	0.00	-[#]
Other operating income (scrap sales)	39.83	48.90	92.61	93.96	72.35	13.14%
EBITDA [(2)*]	1,010.96	661.45	1,499.95	1,248.11	828.63	35.90%
EBITDA margin [(3)*] *(%)*	10.96%	6.81%	8.30%	7.20%	5.45%	24.63%
Profit for the period/ year	497.34	249.37	625.63	484.59	224.26	70.79%
Profit after tax margin[(4)*] *(%)*	5.44%	2.59%	3.50%	2.83%	1.50%	56.23%
Return on Equity [(5)*]	12.60%	7.12%	17.69%	15.39%	7.93%	53.09%
Return on Capital Employed [(6)*] *(%)*	13.13%	8.14%	19.35%	16.30%	10.00%	40.35%
Net Debt to EBITDA Ratio [(7)*] (*in times*)	(1.05)	(2.53)	(0.91)	(0.89)	(1.35)	(17.28)%
Net working capital [(8)*]	2,175.63	1,512.95	1,389.61	1,611.48	837.91	27.68%
Operational working capital [(9)*]	1,900.74	2,111.53	1,636.70	1,305.98	650.21	63.16%

Notes:

(1) We export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers outside of Asia through Carraro Drive Tech Italia S.p.A.

(2) EBIDTA represents the restated profit before tax for the period/ year plus finance cost and depreciation and amortization expenses.

(3) EBIDTA margin represents EBIDTA as a percentage of total income.

(4) Profit after tax margin represents profit after tax divided by revenue from operations.

(5) Return on Equity represents restated profit after tax divided by average equity.

(6) Return on Capital Employed represents EBIT as a percentage of Capital Employed. EBIT is calculated as the sum of restated profit before tax for the period/ year and finance cost. Capital Employed represents the sum of (i) tangible net worth, (ii) total debt and (iii) deferred tax liabilities.

(7) Net Debt to EBITDA ratio represents Net Debt divided by EBITDA. Net Debt represents (i) the sum of other financial assets, cash and cash equivalents and other current financial assets, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities.

(8) Net working capital represents the difference between current assets and current liabilities.

(9) Operational working capital represents the sum of trade receivables and inventories, minus trade payables.

** For a reconciliation of non-GAAP measures, see "**Management's Discussion and Analysis of our Results of Operations – Non-GAAP Financial Measures**" on page 372.*

CAGR from Fiscal 2022 to Fiscal 2024 is not applicable since our Company commenced exports to rest of the world since Fiscal 2024.

Principal Factors Affecting our Financial Condition and Results of Operation

Macro-economic conditions and factors affecting the industries in which our customers operate

We sell axles, transmissions and gears in India and outside India. Our business therefore depends on general macroeconomic and demographic factors in India and outside India which are beyond our control. In particular, our revenue and profitability are strongly correlated to general economic conditions, unemployment levels and consumer confidence. A worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending and lead to a decline in our results of operations. Certain general macro-economic factors that can affect the demand for our products include:

- local and global economic or fiscal crises or instability;
- demographic conditions and population dynamics, such as the absolute size of a market and the growth

rates of the population in that market;

- economic development and shifting of wealth in India, in particular, growth in the middle class and rural areas, as well as the agricultural sector, which is highly dependent on the outcome of the monsoon season;
- local and global fiscal and monetary dynamics, such as rise or fall in interest rates, foreign exchange rates and inflation rates;
- levels of construction activity;
- general levels of GDP growth in a country or region, and trends in personal disposable income and consumer spending in that country or region; and
- global and local economic, political and regulatory measures and developments, such as government policies to support the industries in which we and our customers operate, tax incentives, concessions or other subsidies. For a description of Indian governmental policies that affect our results of operations and financial condition, see "***Key Regulations and Policies in India***" on page 239.

The cyclical nature of general macro-economic conditions and, therefore, of the industries in which our customers operate means that our results of operations can fluctuate substantially from period to period. Stronger macro-economic indicators, such as GDP growth, increases in infrastructure investment, and improvements in agricultural production tend to correlate with increased activities in industries which require our products. We believe that this in turn contributes to an increased demand for our products, while weaker macro-economic indicators tend to correlate with less activities in the above industries and therefore, lower demand for our products. We expect that these macro-economic factors and conditions in the above industries will continue to be the most important factor affecting our revenues and results of operations. In particular, our revenue from the sale of products decreased by 4.56% to ₹ 9,027.87 million in the six months ended September 30, 2024 from ₹ 9,458.87 million in the six months ended September 30, 2023, primarily due to reduction of export sales by 8.70% to ₹ 3,150.68 million for the six months ended September 30, 2024 from ₹ 3,450.89 million for the six months ended September 30, 2023, as a result of weaker macro-economic conditions in some western destination markets such as the United States and Europe according to Markets and Markets (see page 135 in "***Industry Overview***"), which reduced our direct export sales and indirect export sales through Carraro Drive Tech Italia S.p.A.. For further details, see "***– Our Results of Operations – Six months ended September 30, 2024 Compared to Six months ended September 30, 2023 – Income***" on page 365.

See "***Industry Overview***" on page 131 of this Red Herring Prospectus for a discussion on macro-economic conditions in the industry in which we operate.

Fluctuations in exchange rates

We present our financial statements in Indian Rupees. However, a certain portion of our business transactions is denominated in foreign currencies. For the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, 34.60%, 36.09%, 35.87%, 38.19% and 36.80% of our revenue from operations was derived from export sales, respectively, and 25.58%, 27.31%, 26.82%, 25.42% and 26.33% of our cost of materials consumed were incurred from overseas suppliers, respectively.

The exchange rates between the Indian Rupee and the US Dollar, Euro and British Pound have fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. For further details in relation to RBI reference exchange rates for the U.S. Dollar and Euro, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation***" on page 20.

Depreciation of the Indian Rupee against the U.S. Dollar, the Euro and other foreign currencies may adversely affect our results of operations by increasing the cost of our raw materials or any proposed capital expenditure in foreign currencies. Similarly, appreciation of the Indian Rupee against foreign currencies may positively affect our results of operations by decreasing the cost of our raw materials or any proposed capital expenditure in such foreign currencies. Although we generally seek to pass on exchange rate fluctuations to our customers through increases or decreases in our prices, we may not be able to do so immediately or fully, and hence significant volatility in the exchange rates can impact our revenue and profit. For further details, see "***– Principal Factors Affecting our Financial Condition and Results of Operation – Cost and availability of raw materials***" on page 358. We have a risk management policy covering our foreign exchange risk, which is reviewed periodically by

our management. To manage the risk of exchange rate fluctuations, we adopt a natural hedge strategy by seeking to neutralize the risk of exchange rate fluctuations through matching our export sales and raw material imports. We also enter into derivative transactions, such as forward contracts for our borrowings and adopt policies for financial risk management, for our open positions to hedge our foreign currency exposure. However, any amounts we spend in order to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. See "**– *Quantitative and Qualitative Disclosures about Market Risks – Foreign currency risk***" on page 380 for further details.

Demand for our products and growth in our customer base

With our unique market position as a one-stop shop OEM supplier in India, we have in the past launched new products with a pilot customer, which engages us to develop a tailored solution based on such customer's design or specifications. Our revenue therefore depends on our customers' production pipeline and volume, which would have an impact on our customers' demand for our products. According to the Markets and Markets Report, OEMs look beyond traditional purchasing factors like price, design, performance, brand image, and features and focus on new priorities such as fuel efficiency, environmental impact, and innovative features to meet evolving consumer demands (see page 138 in "***Industry Overview***"). Any changes in these factors are likely to continue to have an impact on the OEM customers' demand for our products, and in turn our results of operations.

Our revenue also depends on the growth of our customer base of OEM, as well as maintenance of relationships with and continuing demand from our existing OEM customers. We usually enter into long-term contracts with our customers of at least five years, with additional schedules executed based on each new order received. Any material changes to our customer base, loss of customers, change in our customers' demand for our products, loss of one or more of our key customers or a significant reduction in the amount of business we obtain from them could have a material impact on our business, results of operations and financial condition. For further details, see "***Our Business – Description of Our Business and Operations – Sales and Distribution – Customer Relationships and Network***", "***Risk Factors – Internal Risks – We derived 69.55% and 87.88% of our revenue in the six months ended September 30, 2024 and 69.37% and 85.39% of our revenue in Fiscal 2024 from our top five and top 10 customers, respectively, and any inability to retain our key customers or attract new customers and expand our customer network, could negatively affect our business and results of operations***" and "***Risk Factors – Internal Risks – As we derive 34.60%, 36.09%, 35.87%, 38.19% and 36.80% of our revenue from exports from the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, respectively, we heavily rely on our extensive global customer base of OEM customers and our inability to maintain the stability of our OEM customer base and attract additional customers may have a material adverse effect on our results of operations and financial condition***" on pages 232, 26 and 34, respectively.

Sales mix

We are engaged in the manufacture of mechanical transmissions, clutches, hydraulic lifts and planetary drives, axles for agricultural tractors and construction vehicle including components, parts and spares thereof. Our revenue depends on the prices we charge on our products and our production volume. We generally charge higher prices for products with high power and higher technological specifications. The following table sets forth our production volume by product type in the periods or years indicated, which is generally in line with our sales volume for the relevant periods or years:

	For six months ended September 30,		For Fiscal ended March 31,		
	2024	**2023**	**2024**	**2023**	**2022**
Number of axles produced at our driveline manufacturing plant (1)	42,144	36,223	68,961	74,342	72,654
Number of transmissions systems produced at our driveline manufacturing plant (1)	19,635	27,091	46,579	47,055	47,129
Number of other components produced (loose trumpet and loose drop box) at our driveline manufacturing plant (1)	8,112	11,853	14,066	10,772	11,503
Number of gears, shafts, ring gears and other related components produced at our gear manufacturing plant (1)	903,999	969,498	1,618,845	1,676,707	1,525,468

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Notes:

(1) Actual production represents quantum of production in the relevant manufacturing facility in the relevant period or Fiscal.

For further details, see *"**Our Business – Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization**"* on page 223.

The overall sales mix also impacts our raw material requirements and costs. For example, a shift in sales mix to products in larger size or with higher power and higher technological specifications may result in higher procurement, including additional casting materials and steel as well as larger gears, to meet the higher complexity of products and manufacturing process. Accordingly, fluctuations in our sales mix may affect our revenues, costs of operations and operating results.

Cost and availability of raw materials

Our cost of materials consumed constitutes the largest component of our expenses. The table below sets forth our cost of materials in the periods or years indicated and the percentage contribution to total expenses:

	For six months ended September 30,		For Fiscals ended March 31,		
	2024	**2023**	**2024**	**2023**	**2022**
Cost of materials consumed *(₹ million)*	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
Cost of materials consumed as a % of total expenses *(%)*	77.65%	78.53%	77.65%	77.38%	76.60%

Our cost of materials consumed are generally impacted by our manufacturing volumes, mix of products, the prices paid for raw materials and our manufacturing efficiency. Our primary raw materials required for the manufacture of our products include casting material, steel and proprietary components. Our suppliers may impose price increases and surcharges on us from time to time. In addition, according to the Markets and Markets Report, pricing and availability of casting materials, including steel, and other proprietary components, can be highly volatile due to numerous factors beyond the control of any individual company, including general economic conditions, global production capacity, import levels, fluctuations in raw material costs, sales levels, competition, supply chain fluctuations, labor costs, trade policies, and foreign currency exchange rates (see page 168 in "***Industry Overview***").

Further, we procure our materials from a mix of local and international suppliers, the split of which are set forth in the table below:

	For six months ended September 30,				For Fiscals ended March 31,					
	2024		**2023**		**2024**		**2023**		**2022**	
	Amount	**% of Cost of materials consumed**	**Amount**	**% of Cost of materials consumed**	**Amount**	**% of Cost of materials consumed**	**Amount**	**% of Cost of materials consumed**	**Amount**	**% of Cost of materials consumed**
	(₹ million, except percentages)									
Cost of materials consumed	**6,645.75**	**100.00 %**	**7,359.66**	**100.00 %**	**13,372.42**	**100.00 %**	**12,905.08**	**100.00 %**	**11,408.61**	**100.00 %**
– From local suppliers	4,945.96	74.42%	5,349.91	72.69%	9,786.34	73.18%	9,625.05	74.58%	8,405.03	73.67%
– From international suppliers	1,699.79	25.58%	2,009.74	27.31%	3,586.08	26.82%	3,280.03	25.42%	3,003.58	26.33%

Accordingly, the price we pay for the raw materials that we import from international suppliers may fluctuate due to volatility in exchange rates.

Any increase in our prices and surcharges of our primary raw materials may result in us having to incur higher input costs in the manufacture of our products and we may not be able to pass on the increased costs to our customers, which may have an adverse effect on our business and results of operations. In the agreements with our OEM customers, we generally include price variation clauses so that the sales price of our products is adjusted periodically based on a formula that takes into account changes in raw material prices. While we are generally able to pass on changes in the cost of our raw materials due to changes in prices of raw materials to our customers, we may not be able to do so immediately or fully, and as a result, fluctuations in the price of these raw materials may adversely affect our business and results of operations.

Manufacturing capacity and utilization

Our results of operations are directly affected by our production volume, which in turn depends on several factors, including our manufacturing capacity and market demand. For example, our production volume of transmission systems, other components and gears, shafts, ring gears and other related components decreased from the six months ended September 30, 2023 to the six months ended September 30, 2024, as a result of which our revenue from sale of products decreased by 4.56% to ₹ 9,027.87 million in the six months ended September 30, 2024 from ₹ 9,458.87 million in the six months ended September 30, 2023. See "***Principal Factors Affecting our Financial Condition and Results of Operation – Sales Mix***" on page 357. We have two manufacturing plants in India: our driveline manufacturing plant and gears manufacturing plants, which are both located in Pune, India. The following table sets forth the installed capacity, actual production and capacity utilization across our driveline manufacturing plant and gears manufacturing plant for the periods or years indicated:

Particulars	**For six months ended September 30,**				**For Fiscals ended March 31,**								
	2024		**2023**		**2024**			**2023**			**2022**		
	Installed capacity (in nos.)	*Actual production (in nos.)*	*Installed capacity (in nos.)*	*Actual production (in nos.)*	*Installed capacity (in nos.)*	*Actual production (in nos.)*	*Capacity Utilization [(1)]*	*Installed capacity (in nos.)*	*Actual production (in nos.)*	*Capacity Utilization [(1)]*	*Installed capacity (in nos.)*	*Actual production (in nos.)*	*Capacity Utilization [(1)]*
Driveline manufacturing plant	93,850	69,891	89,330	75,167	178,660	129,606	81.07%	173,600	132,169	80.20%	159,900	131,286	82.11%
Gears manufacturing plant	1,265,686	903,999	1,080,000	969,498	1,800,000	1,618,845	89.94%	1,800,000	1,676,707	93.15%	1,800,000	1,525,468	84.75%

** As certified by Avinash Pawar, Chartered Engineer, pursuant to the certificate dated December 5, 2024.*

Notes:

(1) As all products vary significantly in terms of value addition, cost, weight, and input resources, among other factors, the Total Capacity Utilization is calculated by using a common factor (weight in kilogram in this case) so as to make all the product lines at par and comparable. In some product lines, where production is drastically reduced due to fewer customer orders, no weightage is given.

For further details in relation to our capacity and utilization during the six months ended September 30, 2024 and 2023 and Fiscals 2024, 2023 and 2022, see "***Our Business – Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization***" on page 223.

We plan our production according to current customer demand to avoid over-production, high warehousing costs and inventory write-offs, while maintaining a certain production volume to be cost-effective and efficient. We target to review our customer portfolio and demand on a monthly basis for more accurate inventory planning and adjustment. The ability to store raw materials and work in progress goods at our facilities enables us to withstand disruptions in supply as well as volatility in the price of raw material. We plan our inventory levels based on historical levels of sales, actual sale orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. We store our finished products at our warehouses. Any changes in our manufacturing capacity, along with our rate of utilization of such capacity, will affect the volume of products we are able to sell which, in turn, affects our revenue from sales and has a significant impact on our results of operations.

We plan and forecast our manufacturing capacity requirements and capacity expansions based on forecasts of our customers' demands, overall growth rate of the Indian economy and market feedback on growth in our key product segments. We have to maintain a balance to ensure that we have the optimum capacity to meet our customer demands currently and in the future. Any delay in our capacity adjustment process following a significant increase or decrease in demand may impact our overall utilization. Conversely, a greater than expected increase of competitors' investments in additional capacity might lead to overcapacity in the industry which could impact our utilization. This in turn may cause reduced sales and/or a decrease in prices, which would have a negative impact on our business, financial condition and results of operations. There has been underutilization of our driveline manufacturing plant and gears manufacturing plant in the past three Fiscals, as we prepare for future expansion in production volume. Any discrepancy between our forecasted and actual customers' demands may lead to prolonged underutilization of our manufacturing plants, which may adversely affect our business and results of operations. For further details, see "***Risk Factors – Internal Risks – Errors in forecasting demand for our axles, transmissions and gears could result in the misallocation of production capacity which, in turn, could lead to decreased efficiency, increased cost and lost opportunities***" and "***Our Business – Description of our Business and Operations – Manufacturing – Capacity and Capacity Utilization***" on pages 47 and 223, respectively.

Key Components of Income and Expenses

Income

Revenue from operations

Our revenue is primarily from the sale of products such as axles, transmission systems, gears and other related components. We sell our products in India and export to various markets, including direct exports to some customers in Asia (excluding India) and exports indirectly to some customers in Asia (excluding India) and other international markets through transactions with Carraro Drive Tech Italia S.p.A. The following table sets forth the geographical spread of our revenue (including revenue from customers sourced through Carraro Drive Tech Italia S.p.A.) for the periods or years indicated:

	For six months ended September 30,				For Fiscal ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
	(in ₹ million, except otherwise stated)									
India	5,955.68	65.40%	6,110.48	63.91%	11,412.99	64.13%	10,531.12	61.81%	9,419.47	63.20%
Exports [(1)]	3,150.68	34.60%	3,450.89	36.09%	6,384.05	35.87%	6,506.37	38.19%	5,483.61	36.80%
– Europe	3,027.09	33.24%	3,350.11	35.04%	6,164.34	34.64%	5,885.77	34.55%	4,907.91	32.93%
– Asia (excluding India)	90.85	1.00%	42.86	0.45%	142.53	0.80%	104.46	0.61%	119.98	0.81%
– Americas	24.48	0.27%	33.27	0.35%	77.00	0.43%	516.14	3.03%	455.72	3.06%
– Rest of the world	8.26	0.09%	24.65	0.26%	0.18	0.00%	0.00	0.00%	0.00	0.00%

Note:

(1) We export directly to some customers in Asia (excluding India) and indirectly to some customers in Asia (excluding India) and customers in Europe, Americas and rest of the world through Carraro Drive Tech Italia S.p.A.

Sales of Products

The following tables provide a breakdown of our revenue from operations by type of products for the periods or years indicated:

Particulars	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
	Revenue	% of Revenue from Sales of Products	Revenue	% of Revenue from Sales of Products	Revenue	% of Revenue from Sales of Products	Revenue	% of Revenue from Sales of Products	Revenue	% of Revenue from Sales of Products
	(in ₹ million, unless otherwise specified)									
Revenue by product sector	**9,027.87**	**100.00 %**	**9,458.87**	**100.00 %**	**17,611.93**	**100.00 %**	**16,857.21**	**100.00 %**	**14,743.27**	**100.00 %**
– Agricultural Tractor	4,250.34	47.08%	4,263.90	45.08%	7,933.86	45.05%	8,323.09	49.37%	7,459.03	50.59%
– Construction Vehicle	3,576.03	39.61%	3,965.72	41.93%	7,271.77	41.29%	6,477.44	38.43%	5,325.70	36.12%
– Others	1,201.50	13.31%	1,229.25	13.00%	2,406.30	13.66%	2,056.68	12.20%	1,958.54	13.28%

Other operating income

Our other operating income relates to our sales of scrap, which is produced as a by-product in our manufacturing process. For the six months ended September 30, 2024 and 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, our other operating income was ₹ 39.83 million, ₹ 48.90 million, ₹ 92.61 million, ₹ 93.96 million and ₹ 72.35 million, respectively.

Other income

Our other income comprises interest income on bank deposits and security deposits measured at amortized cost, gain on sale of mutual funds and investments measured at fair value through profit or loss and other non-operating income. Our other non-operating income include export incentives, sundry balance written back, liabilities no longer required written back, interest on VAT and GST refund, net gain on disposal of property, plant and equipment, net gain on foreign exchange transactions and miscellaneous income. For the six months ended September 30, 2024 and 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, our other income was ₹ 81.20 million,

₹ 101.56 million, ₹ 175.82 million, ₹ 201.53 million and ₹ 225.10 million, respectively.

Expenses

Our expenses comprise of (a) cost of materials consumed, (b) changes in inventories of finished goods and work-in-progress, (c) employee benefits expense, (d) finance costs, (e) depreciation and amortization expenses and (f) other expenses.

Cost of materials consumed

Cost of materials consumed primarily includes the cost of castings, steel, components and other materials that we source from suppliers for our operations. The following table provides a breakdown of cost of materials consumed for the periods or years indicated:

Particulars	For six months ended September 30,				For Fiscals ended March 31,					
	2024		2023		2024		2023		2022	
	Cost	% of Total Cost of Materials Consumed	Cost	% of Total Cost of Materials Consumed	Cost	% of Total Cost of Materials Consumed	Cost	% of Total Cost of Materials Consumed	Cost	% of Total Cost of Materials Consumed
	(in ₹ million, unless otherwise specified)									
Cost of materials consumed										
Inventories at the beginning of the period/ year (A)										
Opening stock	1,911.71	28.77%	1,836.60	24.95%	1,836.60	13.73%	1,800.09	13.95%	1,495.82	13.11%
Purchases (B)										
Purchases	6,716.11	101.06%	7,364.05	100.06 %	13,447.53	100.56 %	12,941.59	100.28 %	11,712.88	102.67 %
Inventories at the end of the period/ year (C)										
Closing stock	1,982.07	29.82%	1,840.99	25.01%	1,911.71	14.30%	1,836.60	14.23%	1,800.09	15.78%
Total (A+B-C)	**6,645.75**	**100.00 %**	**7,359.66**	**100.00 %**	**13,372.42**	**100.00 %**	**12,905.08**	**100.00 %**	**11,408.61**	**100.00 %**

The following table highlights the percentage of materials sourced from our top-five suppliers, top-10 suppliers and related parties for the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
Total costs of materials consumed	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
Top-five suppliers as a % of total costs of materials consumed	20.53%	21.85%	21.76%	21.33%	20.56%
Top-10 suppliers as a % of total costs of materials consumed	30.68%	32.48%	32.38%	31.95%	31.39%
Supplies from related parties as a % of total costs of materials consumed	4.91%	5.91%	6.32%	5.20%	5.04%

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress represent the difference between the opening balance at the beginning of a financial year/ period and closing balance as at the end of such financial year/ period of our finished goods and work-in-progress. The following table provides a breakdown of changes in inventories of finished goods and work-in-progress for the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
A. Opening balance					
Finished goods	396.31	175.04	175.04	120.68	80.04
Work-in-progress	538.10	518.43	518.43	424.99	277.86
	934.41	**693.47**	**693.47**	**545.67**	**357.90**
B. Closing balance					
Finished goods	421.82	322.30	396.31	175.04	120.68
Work-in-progress	485.26	530.70	538.10	518.43	424.99
	907.08	**853.00**	**934.41**	**693.47**	**545.67**
Total changes in inventories of finished goods and work-in-progress (A-B)	**27.33**	**(159.53)**	**(240.94)**	**(147.80)**	**(187.77)**

Employee benefits expense

Our employee benefits expense primarily includes salaries, wages and bonus. It also includes contributions to provident and other funds, gratuity expense and staff welfare expenses.

The following table provides a breakdown of employee benefits expense for the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
Employee benefits expense					
Salaries, wages and bonus	633.34	612.45	1,207.84	1,078.94	960.90
Contributions to provident and other funds	25.52	24.46	49.52	49.75	47.66
Gratuity expense	18.60	17.76	36.16	35.47	30.89
Staff welfare expenses	75.56	67.82	141.20	140.44	133.81
Total	**753.02**	**722.49**	**1,434.72**	**1,304.60**	**1,173.26**

Finance costs

Finance costs mainly include interest expense on borrowings and on dues of micro enterprises and small enterprises ("**MSME**"). We have certain dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, pursuant to which we are required to pay interests to the eligible MSME vendors in case of a non-payment to such MSME vendors for more than 45 days at three times of the bank rate on the due amounts.

Depreciation and amortization expenses

We primarily incur costs for depreciation on property, plant and equipment. We also incur amortization expenses on right-of-use assets and intangible assets. For more details on our policies on depreciation and amortization expenses, see "***– Critical Accounting Policies and Use of Judgements and Estimates – Property, Plant and Equipment – Depreciation/ Amortization***" on page 384.

Other Expenses

Our other expenses primarily comprise, among others, royalty, consumption of stores and spares, subcontracting expenses, power and fuel, packing, freight and forwarding charges, warranty expenses (net), corporate service charges and miscellaneous expenses.

Royalty

We pay royalty expenses to Carraro S.p.A. which primary include the consideration payable pursuant to the agreement entered into with Carraro S.p.A. for the license granted to us for usage of Carraro corporate name, logo and trademarks in our operations. For further details of the foregoing agreement, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our***

Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")" and "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***" on pages 249 and 250, respectively.

We also pay an annual royalty expense to Carraro Drive Tech Italia S.p.A. for the sub license it granted to us for manufacturing products of which it owns the IP rights, pursuant to a sub license agreement between Carraro Drive Tech Italia S.p.A. and our Company dated June 30, 2023 (the "**Sub License Agreement**"). For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" on page 250.

Subsequent to Carraro S.p.A.'s transfer of the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company pursuant to the IP assignment agreement dated October 1, 2023 (the "**IP Assignment Agreement**"), for which Carraro S.p.A. provides engineering support services on the maintenance of products and child parts pursuant to the engineering service agreement dated the same date, such products tailored for the Indian market were carved out from the scope of products subject to royalty under the Trademark Agreement. Our Company will continue to pay royalty expenses to Carraro S.p.A. and Carraro Drive Tech Italia S.p.A. for products which are not covered in the IP Assignment Agreement. For further details of the foregoing agreements, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***" and "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***" on page 250.

Consumption of stores and spares

Consumption of stores and spares primarily include our expenses for procurement of stores and spares which are not directly connected to our production processes.

Subcontracting expenses

Subcontracting expenses are fees paid to our sub-contractors who support our non-core manufacturing process and tool reshaping.

Power and Fuel

Power and fuel expense primarily includes costs associated with electricity sourced for our operations.

Packing, freight and forwarding charges

Our packing, freight and forwarding charges primarily include fees that we pay to our packing and transportation service providers to support delivery of products to customers in India and customers and distributors outside India.

Warranty expenses (net)

We make provision for warranties representing the amount of the expected cost of meeting our obligations of rectification or replacement per the product warranties. Warranty expenses (net) represents the net additional provision for warranties made during the relevant year, which are made based on our Company's expected incremental cost of meeting our rectification or replacement obligations under the product warranties and the expected timing of such cash outflows.

Corporate service charges

Corporate service charges mainly include our Company's share of charges paid by the Carraro Group to service providers, which is allocated by the headquarters of the Carraro Group, mainly Carraro S.p.A. and Carraro Drive Tech Italia S.p.A. These service providers include providers of services such as IT services and enterprise resource planning system, administrative support, legal support, procurement support for global suppliers and sales and

marketing of global customers.

Miscellaneous expenses

The miscellaneous expenses mainly include expenses such as computer software expenses, hotel and boarding expenses, security expenses, testing charges and conveyance expenses and office expenses.

Tax Expense

We primarily incur current taxes and deferred tax (credit). Current tax is the amount of tax payable on the taxable income for the period/ year as determined in accordance with the applicable tax rates and provisions of the applicable tax laws. Deferred tax (credit) is determined on the basis of the taxable timing differences existing between the book value of assets and liabilities and their taxable value. We measure our deferred tax based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Our Results of Operations

The following table sets forth select financial data from our restated statement of profit and loss for the six months ended September 30, 2024 and 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, the components of which are also expressed as a percentage of total income for such years:

	For six months ended September 30,				**For Fiscal ended March 31,**					
	2024		**2023**		**2024**		**2023**		**2022**	
	(₹ in million)	*% of total income*	*(₹ in million)*	*% of total income*	*(₹ in million)*	*% of total income*	*(₹ in million)*	*% of total income*	*(₹ in million)*	*% of total income*
Income										
Revenue from operations (I)	9,146.19	99.12%	9,610.27	98.95%	17,889.65	99.03 %	17,131.45	98.84%	14,975.43	98.52%
Other income (II)	81.20	0.88%	101.56	1.05%	175.82	0.97%	201.53	1.16%	225.10	1.48%
Total income (III) (I+II)	**9,227.39**	**100.00 %**	**9,711.83**	**100.00 %**	**18,065.47**	**100.00 %**	**17,332.98**	**100.00 %**	**15,200.53**	**100.00%**
Expenses										
Cost of materials consumed	6,645.75	72.02%	7,359.66	75.78%	13,372.42	74.02 %	12,905.08	74.45%	11,408.61	75.05%
Changes in inventories of finished goods and work-in-progress	27.33	0.30%	(159.53)	(1.64)%	(240.94)	(1.33) %	(147.80)	(0.85)%	(187.77)	(1.24)%
Employee benefits expense	753.02	8.16%	722.49	7.44%	1,434.72	7.94%	1,304.60	7.53%	1,173.26	7.72%
Finance costs	118.94	1.29%	111.32	1.15%	224.85	1.24%	197.87	1.14%	162.23	1.07%
Depreciation and amortization expenses	222.85	2.42%	210.49	2.17%	431.38	2.39%	394.36	2.28%	359.06	2.36%
Other expenses	790.33	8.57%	1,127.76	11.61%	1,999.32	11.07 %	2,022.99	11.67%	1,977.80	13.01%
Total expenses (IV)	**8,558.22**	**92.75%**	**9,372.19**	**96.50%**	**17,221.75**	**95.33 %**	**16,677.10**	**96.22%**	**14,893.19**	**97.98%**
Profit before tax (V = III-IV)	669.17	7.25%	339.64	3.50%	843.72	4.67%	655.88	3.78%	307.34	2.02%
Tax expense										
Current tax	173.14	1.88%	132.28	1.36%	243.57	1.35%	189.41	1.09%	92.01	0.61%
Deferred tax (credit)	(1.31)	(0.01)%	(42.01)	(0.43)%	(25.48)	(0.14) %	(18.12)	(0.10)%	(8.93)	(0.06)%
Total tax expense (VI)	**171.83**	**1.86%**	**90.27**	**0.93%**	**218.09**	**1.21%**	**171.29**	**0.99%**	**83.08**	**0.55%**
Restated Profit for the period/ year(V-VI)	**497.34**	**5.39%**	**249.37**	**2.57%**	**625.63**	**3.46%**	**484.59**	**2.80%**	**224.26**	**1.48%**

Six months ended September 30, 2024 Compared to Six months ended September 30, 2023

Income

Our total income decreased by 4.99% to ₹9,227.39 million in the six months ended September 30, 2024 from ₹ 9,711.83 million in the six months ended September 30, 2023, primarily due to a decrease in our revenue from operations by 4.83% to ₹ 9,146.19 million in the six months ended September 30, 2024 from ₹ 9,610.27 million in the six months ended September 30, 2023. The decrease in our revenue from operations was largely due to decrease in revenue from the sale of products by 4.56% to ₹ 9,027.87 million in the six months ended September 30, 2024 from ₹ 9,458.87 million in the six months ended September 30, 2023.

- *Revenue from sale of products*: Our revenue from sale of products decreased by 4.56% to ₹ 9,027.87 million in the six months ended September 30, 2024 from ₹ 9,458.87 million in the six months ended September 30, 2023 primarily due to (i) reduction of export sales by 8.70% to ₹ 3,150.68 million in the six months ended September 30, 2024 from ₹ 3,450.89 million in the six months ended September 30, 2023 and (ii) reduction of domestic sales by 2.53% to ₹ 5,955.68 million in the six months ended September 30, 2024 from ₹ 6,110.48 million in the six months ended September 30, 2023, as a result of weaker macro-economic conditions in some western destination markets such as Europe and the United States, which (i) directly reduced our direct export sales and indirect export sales through Carraro Drive Tech Italia S.p.A. and (ii) indirectly reduced our domestic sales of products due to our domestic customers' reduced export sales.

  Our revenue from the construction vehicles sector was affected by the foregoing reasons to a larger extent and decreased by 9.83% to ₹3,576.03 million in the six months ended September 30, 2024 from ₹ 3,965.72 million in the six months ended September 30, 2023, as compared to the decrease in our revenue from the agricultural tractors sector by 0.32% to ₹4,250.34 million in the six months ended September 30, 2024 from ₹ 4,263.90 million in the six months ended September 30, 2023.

- *Other operating income:* Our other operating income decreased by 18.55% to ₹ 39.83 million in the six months ended September 30, 2024 from ₹ 48.90 million in the six months ended September 30, 2023 due to a decrease in our production volume of scrap, which is a by-product produced in our manufacturing process, as a result of our overall decreased sales volumes in the six months ended September 30, 2024.

Our other income decreased by 20.05% to ₹81.20 million in the six months ended September 30, 2024 from ₹101.56 million in the six months ended September 30, 2023 primarily due to a decrease in other non-operating income by 17.82% to ₹79.61 million in the six months ended September 30, 2024 from ₹96.87 million in the six months ended September 30, 2023 mainly as a result of (i) a decrease in our export incentives by 19.64% to ₹70.09 million in the six months ended September 30, 2024 from ₹87.22 million in the six months ended September 30, 2023 which was in line with our decreased export sales and (ii) a decrease in duty drawback in the six months ended September 30, 2024 due to a decrease in export sales of products.

Expenses

Our total expenses decreased by 8.68% to ₹8,558.22 million in the six months ended September 30, 2024 from ₹9,372.19 million in the six months ended September 30, 2023, primarily due to decreases in cost of materials consumed and other expenses, partially offset by an increase in employee benefits expense.

Cost of materials consumed

Our cost of materials consumed decreased by 9.70% to ₹6,645.75 million in the six months ended September 30, 2024 from ₹7,359.66 million in the six months ended September 30, 2023, primarily due to a decrease in our consumption of materials and parts used for our operations, in line with a decrease in our sales in the six months ended September 30, 2024. Our cost of materials consumed as a percentage of total income decreased to 72.02% in the six months ended September 30, 2024 from 75.78% in the six months ended September 30, 2023 primarily due to the cost reduction initiatives that we implemented, such as localization, double sourcing, value engineering initiatives.

Changes in inventories of finished goods and work-in-progress

The changes in inventories of finished goods and work-in-progress decreased by 117.13% to ₹27.33 million in the six months ended September 30, 2024 from ₹(159.53) million in the six months ended September 30, 2023 primarily due to higher inventories of finished goods and work-in-progress at the beginning of the six months ended September 30, 2024 as compared to the beginning of the six months ended September 30, 2023 and lower

consumption of finished goods and work-in-progress during the six months ended September 30, 2024, as a result of our decreased sales in the same period.

Employee benefits expense

Our employee benefits expense increased by 4.23% to ₹753.02 million in the six months ended September 30, 2024 from ₹722.49 million in the six months ended September 30, 2023 due to an increase in salaries, wages and bonus by 3.41% to ₹633.34 million in the six months ended September 30, 2024 from ₹612.45 million in the six months ended September 30, 2023 as a result of compensation increment, despite a decrease in our headcount to 1,600 employees as of September 30, 2024 from 1,726 employees as of September 30, 2023.

Finance costs

Our finance costs increased by 6.85% to ₹118.94 million in the six months ended September 30, 2024 from ₹111.32 million in the six months ended September 30, 2023, primarily as a result of increased interest and finance charges on borrowings carried at amortized cost by 2.72% to ₹100.61 million in the six months ended September 30, 2024 from ₹97.95 million in the six months ended September 30, 2023. This was due to both an increase in interest rates and amount of our outstanding long-term borrowings in the six months ended September 30, 2024 to support our working capital requirements, as well as increased interest and finance charges on lease liabilities carried at amortized cost by 261.02% to ₹4.26 million in the six months ended September 30, 2024 from ₹1.18 million in the six months ended September 30, 2023 due to installation of solar panels on the roofs of our manufacturing plants.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 5.87% to ₹222.85 million in the six months ended September 30, 2024 from ₹210.49 million in the six months ended September 30, 2023, primarily due to an increase in the amortization of intangible assets by 73.90% to ₹15.79 million in the six months ended September 30, 2024 from ₹9.08 million in the six months ended September 30, 2023. The increase in the amortization of intangible assets was due to Carraro S.p.A.'s transfer of the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company pursuant to the IP assignment agreement dated October 1, 2023, for which Carraro S.p.A. provides engineering support services on the maintenance of products and child parts pursuant to the engineering service agreement dated the same date, such products tailored for the Indian market were carved out from the scope of products subject to royalty under the Trademark Agreement.

Other expenses

Our other expenses decreased by 29.92% to ₹790.33 million in the six months ended September 30, 2024 from ₹1,127.76 million in the six months ended September 30, 2023, primarily as a result of the following:

- *Royalty*: Our royalty expenses decreased by 79.99% to ₹44.52 million in the six months ended September 30, 2024 from ₹222.45 million in the six months ended September 30, 2023, which represented a decrease to 0.48% of total income in the six months ended September 30, 2024 from 2.29% of total income in the six months ended September 30, 2023.

  Pursuant to the Trademark Agreement, our Company is required to pay Carraro S.p.A. a royalty of 0.6% per quarter of net sales (as defined under the Trademark Agreement) of products bearing the licensed identification marks. Pursuant to the Sub License Agreement, our Company is required to pay an annual royalty expense to Carraro Drive Tech Italia for the sub license it granted to us for manufacturing products of which it owns the IP rights.

  Subsequent to Carraro S.p.A.'s transfer of the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company pursuant to the IP assignment agreement dated October 1, 2023, for which Carraro S.p.A. provides engineering support services on the maintenance of products and child parts pursuant to the engineering service agreement dated the same date, such products tailored for the Indian market were carved out from the scope of products subject to royalty under the Trademark Agreement. As a result, our royalty expenses decreased in the six months ended September 30, 2024.

  For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and trademark license agreement dated***

March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" on pages 249, 249, 250 and 250, respectively.

- *Subcontracting expenses*: Our subcontracting expenses decreased by 24.18% to ₹124.01 million in the six months ended September 30, 2024 from ₹163.55 million in the six months ended September 30, 2023 as our Company engaged fewer sub-contractors in our non-core manufacturing process in the six months ended September 30, 2024.

- *Warranty expenses (net)*: Our warranty expenses (net) decreased by 92.51% to ₹2.16 million in the six months ended September 30, 2024 from ₹28.83 million in the six months ended September 30, 2023. The higher warranty expenses (net) in the six months ended September 30, 2023 was due to an extraordinary accrual of warranty expenses, see "***– Fiscal 2023 Compared to Fiscal 2022 – Expenses – Other expenses***" on page 371 for further details. There were no such extraordinary warranty expenses incurred in the six months ended September 30, 2024. In addition, as a result of reduced actual historical claims, our warranty expenses (net) in the six months ended September 30, 2024 decreased as per our standard computation mechanism, which takes into account our historical claim ratio.

- *Consumption of stores and spares*: Our consumption of stores and spares decreased by 24.69% to ₹149.69 million in the six months ended September 30, 2024 from ₹198.77 million in the six months ended September 30, 2023 primarily due to lower consumption of stores and spares as we completed our T135 project in Fiscal 2024 and as a result of more efficient utilization of spares.

Tax Expense

Our total tax expense increased by 90.35% to ₹171.83 million in the six months ended September 30, 2024 compared to ₹90.27 million in the six months ended September 30, 2023, primarily due to an increase in our current tax expense which increased by 30.89% to ₹173.14 million in the six months ended September 30, 2024 from ₹132.28 million in the six months ended September 30, 2023. Our current tax expense increased due to an increase in profit before tax by 97.02% to ₹669.17 million in the six months ended September 30, 2024 from ₹339.64 million in the six months ended September 30, 2023, partially offset by the reduced tax rate from 26.58% for the six months ended September 30, 2023 to 25.68% for the six months ended September 30, 2024.

Restated Profit for the Period

As a result of the foregoing factors, our profit for the six months ended September 30, 2024 increased by 99.44% to ₹497.34 million from a profit of ₹ 249.37 million for the six months ended September 30, 2023.

Fiscal 2024 Compared to Fiscal 2023

Income

Our total income increased by 4.23% to ₹ 18,065.47 million in Fiscal 2024 from ₹ 17,332.98 million in Fiscal 2023, primarily due to an increase in our revenue from operations by 4.43% to ₹ 17,889.65 million in Fiscal 2024 from ₹ 17,131.45 million in Fiscal 2023. The increase in our revenue from operations was largely due to increase in revenue from the sale of products by 4.48% to ₹ 17,611.93 million in Fiscal 2024 from ₹ 16,857.21 million in Fiscal 2023.

- *Revenue from sale of products*: Our revenue from sale of products increased by 4.48% to ₹17,611.93 million in Fiscal 2024 from ₹16,857.21 million in Fiscal 2023 primarily due to a change in the sales mix driven by our customers' demand towards larger axles and transmissions with higher power and higher technological specifications, for which we charged higher prices. The percentage of increase in our

revenue of 4.48% from Fiscal 2023 to Fiscal 2024 was lower than the percentage of increase in our revenue of 14.34% from Fiscal 2022 to Fiscal 2023, primarily due to a decrease in the sales volume of our products with lower margin in Fiscal 2024 as we shifted the focus to new products and products with higher margins in Fiscal 2024.

- *Other operating income:* Our other operating income decreased by 1.44% to ₹ 92.61 million in Fiscal 2024 from ₹ 93.96 million in Fiscal 2023 due to a slight decrease in our production volume of scrap, which is a by-product produced in our manufacturing process, as a result of lower production volume of axles and transmission systems driven by the foregoing shift in sales mix.

Our other income decreased by 12.76% to ₹175.82 million in Fiscal 2024 from ₹201.53 million in Fiscal 2023 primarily due to a decrease in other non-operating income by 10.07% to ₹167.95 million in Fiscal 2024 from ₹186.75 million in Fiscal 2023 mainly as a result of (i) a decrease in our export incentives by 10.87% to ₹145.75 million in Fiscal 2024 from ₹163.52 million in Fiscal 2023 as export sales of loose parts procured in the domestic market were no longer eligible for export incentives since April 2023 and (ii) a decrease in duty drawback in Fiscal 2024 due to a decrease in production volume of products eligible for the duty drawback.

Expenses

Our total expenses increased by 3.27% to ₹17,221.75 million in Fiscal 2024 from ₹ 16,677.10 million in Fiscal 2023, primarily due to an increase in cost of materials consumed.

Cost of materials consumed

Our cost of materials consumed increased by 3.62% to ₹13,372.42 million in Fiscal 2024 from ₹12,905.08 million in Fiscal 2023, primarily due to an increase in our consumption of materials and parts used for our operations, in line with an increase in our sales in Fiscal 2024. Despite the increase in our cost of materials consumed, our cost of materials consumed as a percentage of total income decreased to 74.02% in Fiscal 2024 from 74.45% in Fiscal 2023 primarily due to the cost reduction initiatives that we implemented, such as localization, double sourcing, value engineering initiatives.

Changes in inventories of finished goods and work-in-progress

The changes in inventories of finished goods and work-in-progress increased by 63.02% to ₹(240.94) million in Fiscal 2024 from ₹(147.80) million in Fiscal 2023 primarily due to the higher inventories of finished goods and work-in-progress at the beginning of Fiscal 2024 as compared to the beginning of Fiscal 2023 and higher consumption of finished goods and work-in-progress during Fiscal 2024 as compared to Fiscal 2023, as a result of our increased sales.

Employee benefits expense

Our employee benefits expense increased by 9.97% to ₹1,434.72 million in Fiscal 2024 from ₹1,304.60 million in Fiscal 2023 due to an increase in salaries, wages and bonus by 11.95% to ₹1,207.84 million in Fiscal 2024 from ₹1,078.94 million in Fiscal 2023 as a result of compensation increment, despite a slight decrease in our headcount to 1,607 employees as of March 31, 2024 from 1,639 employees as of March 31, 2023.

Finance costs

Our finance costs increased by 13.64% to ₹224.85 million in Fiscal 2024 from ₹197.87 million in Fiscal 2023, primarily as a result of increased interest and finance charges on borrowings carried at amortized cost by 14.11% to ₹195.26 million in Fiscal 2024 from ₹171.12 million in Fiscal 2023 due to both an increase in interest rates and amount of our outstanding long-term borrowings in Fiscal 2024 to support our working capital requirements.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 9.39% to ₹431.38 million in Fiscal 2024 from ₹394.36 million in Fiscal 2023, primarily due to an increase in the depreciation of property, plant and equipment by 8.09% to ₹394.07 million in Fiscal 2024 from ₹364.58 million in Fiscal 2023. The increase in the depreciation of property, plant and equipment in Fiscal 2024 was primarily due to our additions of plant and machinery as well as dies, patterns, fixtures and tools in the previous Fiscals to support our expanding operations, and repairment of existing equipment.

Other expenses

Our other expenses decreased by 1.17% to ₹1,999.32 million in Fiscal 2024 from ₹2,022.99 million in Fiscal 2023:

- *Royalty*: Our royalty expenses decreased by 39.22% to ₹256.00 million in Fiscal 2024 from ₹421.22 million in Fiscal 2023, representing a decrease to 1.42% of total income in Fiscal 2024 from 2.43% of total income in Fiscal 2023.

  Subsequent to Carraro S.p.A.'s transfer of the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company pursuant to the IP assignment agreement dated October 1, 2023, for which Carraro S.p.A. provides engineering support services on the maintenance of products and child parts pursuant to the engineering service agreement dated the same date, such products tailored for the Indian market were carved out from the scope of products subject to royalty under the Trademark Agreement. As a result, our royalty expenses decreased in Fiscal 2024. Our capital expenditure in acquiring the foregoing IP rights pursuant to the IP Assignment Agreement was recorded as our purchase of intangible assets in Fiscal 2024.

  For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013 ("Trademark Agreement")***", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intellectual property assignment agreement dated October 1, 2023 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. ("IP Assignment Agreement")***", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company ("Engineering Service Agreement")***", "***History and Certain Corporate Matters – Details of the shareholder's agreements and other material agreements – Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company ("Sub License Agreement")***" and "***– Capital Expenditure***" on pages 249, 249, 250, and 250, respectively.

- *Subcontracting expenses*: Our subcontracting expenses decreased by 5.38% to ₹283.13 million in Fiscal 2024 from ₹299.23 million in Fiscal 2023 as our Company engaged fewer sub-contractors in our non-core manufacturing process in Fiscal 2024.

- *Warranty expenses (net)*: Our warranty expenses (net) decreased by 38.98% to ₹69.42 million in Fiscal 2024 from ₹113.77 million in Fiscal 2023. The higher warranty expenses (net) in Fiscal 2023 was due to an extraordinary accrual of warranty expenses, see "***– Fiscal 2023 Compared to Fiscal 2022 – Expenses – Other expenses***" on page 371 for further details. There were no such extraordinary warranty expenses incurred in Fiscal 2024.

- *Packing, freight and forwarding charges*: Our packing, freight and forwarding charges decreased by 9.68% to ₹90.70 million in Fiscal 2024 from ₹100.42 million in Fiscal 2023, due to increased procurement from local suppliers from ₹ 9,625.05 million in Fiscal 2023 to ₹ 9,786.34 million in Fiscal 2024 to minimize freight charges and other cost-saving projects such as reduction of packaging layers in Fiscal 2024.

The above decreases were offset by the following:

- *Corporate service charges*: Our corporate service charges increased by 39.36% to ₹185.78 million in Fiscal 2024 from ₹133.31 million in Fiscal 2023 due to increase in business and increased technical assistance services provided by the Carraro Group to support the use of additional information technology licenses in our manufacturing facilities.

- *Consumption of stores and spares*: Our consumption of stores and spares increased by 16.09% to ₹358.65 million in Fiscal 2024 from ₹308.93 million in Fiscal 2023 primarily due to an increase in our sales and increased procurement for our T135 project. For further details of our T135 project, see "***Our Business – Description of Our Business and Operations – Our Products – Transmission Systems – Agricultural Tractors***" on page 213.

- *Legal and professional fees*: Our legal and professional fees increased by 138.80% to ₹134.78 million in Fiscal 2024 from ₹56.44 million in Fiscal 2023, mainly due to engineering services costs paid to Carraro S.p.A. to support our development in relation to the Indian market products of which IP rights are owned by our Company, engineering service costs paid to CTIPL, and fees paid to external consultants for deputation of personnel.

- *Power and fuel*: Our power and fuel expenses increased by 2.28% to ₹280.85 million in Fiscal 2024 from ₹274.58 million in Fiscal 2023 primarily due to a change in the sales mix driven by our customers' demand towards larger axles and transmissions with higher power and higher technological specifications during Fiscal 2024, causing an increase in the consumption of electricity and other fuel for our manufacturing process, notwithstanding lower overall production volumes.

Tax Expense

Our total tax expense increased by 27.32% to ₹218.09 million in Fiscal 2024 compared to ₹171.29 million in Fiscal 2023, primarily due to an increase in our current tax expense which increased by 28.59% to ₹243.57 million in Fiscal 2024 from ₹189.41 million in Fiscal 2023, partially offset by a decrease in our short provision of tax relating to earlier years to ₹ (4.66) million in Fiscal 2024 from ₹ (0.91) million in Fiscal 2023. Our current tax expense increased due to an increase in profit before tax by 28.64% to ₹843.72 million in Fiscal 2024 from ₹655.88 million in Fiscal 2023.

Restated Profit for the Year

As a result of the foregoing factors, our profit for Fiscal 2024 increased by 29.11% to ₹625.63 million from a profit of ₹ 484.59 million for Fiscal 2023.

Fiscal 2023 Compared to Fiscal 2022

Income

Our total income increased by 14.03% to ₹17,332.98 million in Fiscal 2023 from ₹15,200.53 million in Fiscal 2022, primarily due to an increase in our revenue from operations by 14.40% to ₹17,131.45 million in Fiscal 2023 from ₹14,975.43 million in Fiscal 2022. The increase in our revenue from operations was largely due to increase in revenue from the sale of products by 14.34% to ₹16,857.21 million in Fiscal 2023 from ₹14,743.27 million in Fiscal 2022.

- *Revenue from sale of products*: Our revenue from sale of products increased by 14.34% to ₹16,857.21 million in Fiscal 2023 from ₹14,743.27 million in Fiscal 2022 primarily due to increases in prices and sales volume of our products across all sectors, namely the agricultural tractor sector, the construction equipment sector and the others sector, as well as an increase in both sales in India and export sales.

- *Other operating income:* Our other operating increased by 29.87% to ₹93.96 million in Fiscal 2023 from ₹72.35 million in Fiscal 2022, due to an increase in our production volume of scrap, which is a by-product produced in our manufacturing process, as a result of the higher production volume in Fiscal 2023 driven by higher customers' demand.

Our other income decreased by 10.47% to ₹201.53 million in Fiscal 2023 from ₹225.10 million in Fiscal 2022 primarily due to a decrease in other non-operating income by 16.37% to ₹186.75 million in Fiscal 2023 from ₹223.30 million in Fiscal 2022. The decrease in our other non-operating income was primarily due to a decrease in income from export incentives by 15.79% to ₹163.52 million in Fiscal 2023 from ₹194.17 million in Fiscal 2022, as a result of the reduced refunds under the Indian export incentive initiatives, which was in line with the decrease in production volume of products eligible for the export incentives.

Expenses

Our total expenses increased by 11.98% to ₹16,677.10 million in Fiscal 2023 from ₹14,893.19 million in Fiscal 2022, primarily due to an increase in cost of materials consumed.

Cost of materials consumed

Our cost of materials consumed increased by 13.12% to ₹12,905.08 million in Fiscal 2023 from ₹11,408.61 million for Fiscal 2022, primarily due to an increase in our consumption of materials and parts used for our

operations, in line with an increase in our sales in Fiscal 2023. As a percentage of total income, our cost of materials consumed decreased to 74.45% in Fiscal 2023 from 75.05% in Fiscal 2022 primarily due to the cost reduction initiatives that we implemented such as localization, double sourcing and value engineering initiatives.

Changes in inventories of finished goods and work-in-progress

The changes in inventories of finished goods and work-in-progress decreased by 21.29% to ₹(147.80) million in Fiscal 2023 from ₹(187.77) million in Fiscal 2022 primarily due to initiatives to improve efficiency of our logistics-related processes implemented during Fiscal 2023, including optimization of our inventory levels and lead time needed to restock our inventory and monthly review of customer portfolio and demand for more accurate inventory planning and adjustment.

Employee benefits expense

Our employee benefits expense increased by 11.19% to ₹1,304.60 million in Fiscal 2023 from ₹1,173.26 million in Fiscal 2022 primarily due to an increase in salaries, wages and bonus by 12.28% to ₹1,078.94 million in Fiscal 2023 from ₹960.90 million in Fiscal 2022 as a result of compensation increment, and an increase in staff welfare expenses by 4.95% to ₹140.44 million in Fiscal 2023 from ₹133.81 million for Fiscal 2022 notwithstanding the decrease in our headcount to 1,639 employees as of March 31, 2023 from 1,657 employees as of March 31, 2022.

Finance costs

Our finance costs increased by 21.97% to ₹197.87 million in Fiscal 2023 from ₹162.23 million in Fiscal 2022, primarily as a result of (a) increased interest and finance charges on borrowings carried at amortized cost by 21.05% to ₹171.12 million in Fiscal 2023 from ₹141.36 million in Fiscal 2022 due to an increase in interest rates and amount of our long-term borrowings in Fiscal 2023 to support our working capital requirements and (b) increased interest and finance charges on dues of micro enterprises and small enterprises ("**MSME**") carried at amortized cost by 73.90% to ₹17.79 million in Fiscal 2023 from ₹10.23 million in Fiscal 2022 due to increase in volumes of trade with MSME which mainly comprised of purchase of goods from MSME.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 9.83% to ₹394.36 million in Fiscal 2023 from ₹359.06 million in Fiscal 2022, primarily due to an increase in the depreciation of property, plant and equipment. The increase in the depreciation of property, plant and equipment in Fiscal 2023 was primarily due to our installation of the portal axels line during Fiscal 2023.

Other expenses

Our other expenses increased by 2.28% to ₹2,022.99 million in Fiscal 2023 compared to ₹1,977.80 million in Fiscal 2022, primarily due to an increase in the following expenses:

- *Royalty*: Our royalty expenses increased by 3.37% to ₹421.22 million in Fiscal 2023 from ₹407.50 million in Fiscal 2022 which was in line with our increasing sales.

- *Consumption of stores and spares*: Our consumption of stores and spares increased by 12.18% to ₹308.93 million in Fiscal 2023 from ₹275.38 million in Fiscal 2022 primarily due to an increase in our sales by 14.40% from Fiscal 2022 to Fiscal 2023, partially offset by reduction in our purchase of tools and our cost reduction initiatives.

- *Subcontracting expenses*: Our subcontracting expenses increased by 28.16% to ₹299.23 million in Fiscal 2023 from ₹233.48 million in Fiscal 2022 as we engaged more third-party sub-contractors in Fiscal 2023 to support our increased production volume.

- *Power and fuel*: Our power and fuel expenses increased by 6.97% to ₹274.58 million in Fiscal 2023 from ₹256.68 million in Fiscal 2022 primarily due to an increase in production volumes during Fiscal 2023 causing an increase in the consumption of electricity and other fuel for our manufacturing process.

- *Warranty expenses (net)*: Our warranty expenses (net) increased by 56.60% to ₹113.77 million in Fiscal 2023 from ₹72.65 million in Fiscal 2022 due to an extraordinary warranty provision arising from a customer's claim against us in Fiscal 2023. The customer's claim related to a brake failure due to defective part components provided by our supplier, and as a result we paid the warranty expenses to the

relevant customer, which were partially settled by compensation received from the relevant supplier and we settled the remaining balance with our internal cash resources.

The increase in the aforementioned expenses were offset by a decrease in our corporate service charges by 58.35% to ₹133.31 million in Fiscal 2023 from ₹320.09 million in Fiscal 2022. The reduction was on account of lower costs for various sub-contracted services (administrative, human resources, quality assurance and sales and marketing) provided by the Carraro Group to us. This was consistent with a change in mechanism of allocating common cost within the Carraro Group with effect from April 2022 to more accurately reflect the benefit of corporate services received by our Company and to align with our Company's increased independent management and operations. For further details, see "***History and Certain Corporate Matters – Details of the shareholder's agreement and other material agreements – Advisory services agreement entered into between one of our Corporate Promoters, Carraro S.p.A. and Carraro Drive Tech Italia S.p.A., Siap S.p.A., Driveservice S.r.l., Carraro Argentina S.A., Carraro North America Inc., Carraro Technologies India Private Limited, Carraro China Drive Systems Co. Limited and our Company (collectively, "Beneficiaries") ("Advisory Services Agreement")***" on page 249.

Tax Expense

Our tax expense increased by 106.17% to ₹171.29 million in Fiscal 2023 compared to ₹83.08 million in Fiscal 2022, primarily due to an increase in our current tax expense which increased by 105.86% to ₹ 189.41 million in Fiscal 2023 from ₹ 92.01 million in Fiscal 2022, partially offset by a decrease in our short provision of tax relating to earlier years to ₹ (0.91) million in Fiscal 2023 from ₹ 2.25 million in Fiscal 2022. Our current tax expense increased due to an increase in profit before tax by 113.41% to ₹ 655.88 million in Fiscal 2023 from ₹ 307.34 million in Fiscal 2022.

Restated Profit for the Year

As a result of the foregoing factors, our profit for Fiscal 2023 increased by 116.09% to ₹484.59 million from a profit of ₹224.26 million for Fiscal 2022.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with IndAS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly-titled Non-GAAP measures used by other companies. The principal limitation of these Non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-Ind AS financial measures. A reconciliation is provided below for each Non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly able Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

See also "***Risk Factors – Internal Risks – We track certain operational metrics and non-GAAP measures for our operations. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation***" on page 64.

EBIT, EBITDA, EBIT Margin and EBITDA Margin

EBIT is the sum of restated profit before tax for the period/ year and finance cost. EBITDA is the sum of restated

profit before tax for the year plus finance cost and depreciation and amortization expenses. EBIT margin and EBITDA margin are calculated as EBIT and EBITDA as a percentage of total income, respectively. The table below reconciles EBIT, EBITDA, EBIT margin and EBITDA margin to profit for the period/ year:

	For six months ended September 30,		As at/ for Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
Restated profit before tax **(A)**	669.17	339.64	843.72	655.88	307.34
Add: Finance cost **(B)**	118.94	111.32	224.85	197.87	162.23
EBIT (C = A+B)	**788.11**	**450.96**	**1,068.57**	**853.75**	**469.57**
Depreciation and amortization expenses **(D)**	222.85	210.49	431.38	394.36	359.06
EBITDA (E=C+D)	**1,010.96**	**661.45**	**1,499.95**	**1,248.11**	**828.63**
Total Income **(G)**	9,227.39	9,711.83	18,065.47	17,332.98	15,200.53
EBIT Margin (C as a % of G)	**8.54%**	**4.64%**	**5.91%**	**4.93%**	**3.09%**
EBITDA Margin (E as a % of G)	**10.96%**	**6.81%**	**8.30%**	**7.20%**	**5.45%**

Return on capital employed

Return on capital employed (pre-tax) is defined as EBIT as a percentage of capital employed. Capital employed represents the sum of (i) tangible net worth, (ii) total debt and (iii) deferred tax liabilities. The table below reconciles return on capital employed for the periods or years indicated:

	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
Restated profit before tax **(A)**	669.17	339.64	843.72	655.88	307.34
Add: Finance cost **(B)**	118.94	111.32	224.85	197.87	162.23
EBIT (C = A+B)	**788.11**	**450.96**	**1,068.57**	**853.75**	**469.57**
Total equity attributable to the owners of the Company **(D)**	4,194.42	3,629.62	3,698.18	3,373.76	2,924.92
Less: Intangible assets **(E)**	273.90	33.66	289.69	41.45	54.06
Less: Deferred tax assets **(F)**	36.11	51.49	34.45	11.70	6.01
Tangible net worth (G = D-E-F)	**3,884.41**	**3,544.48**	**3,374.04**	**3,320.61**	**2,864.85**
Current borrowings **(H)**	447.66	876.66	902.26	575.15	924.14
Add: Current lease liabilities **(I)**	17.33	10.60	11.28	10.03	8.48
Add: Non-current borrowings **(J)**	1,510.11	1,091.27	1,223.20	1,308.15	857.24
Add: Non-current lease liabilities **(K)**	142.66	18.72	12.96	24.24	32.90
Total Debt (L = H+I+J+K)	**2,117.76**	**1,997.25**	**2,149.70**	**1,917.57**	**1,822.76**
Add: Deferred tax liabilities **(M)**	-	-	-	-	7.57
Capital employed (N = G+L+M)	**6,002.17**	**5,541.73**	**5,523.74**	**5,238.18**	**4,695.18**
Return on capital employed (C as a % of N)	**13.13%**	**8.14%**	**19.35%**	**16.30%**	**10.00%**

Profit after tax margin and return on equity

Profit after tax margin is defined as profit after tax divided by revenue from operations. Average equity represents the average of opening and closing total equity. Return on equity is defined as restated profit after tax divided by average equity. The table below reconciles profit after tax margin and return on equity for the periods or years indicated:

	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
	(in ₹ million, unless otherwise specified)				
Restated profit after tax (A)	497.34	249.37	625.63	484.59	224.26
Revenue from operations **(B)**	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Profit After Tax Margin (A as a % of B)	**5.44%**	**2.59%**	**3.50%**	**2.83%**	**1.50%**
Average equity **(C)**	3,946.30	3,501.69	3,535.97	3,149.34	2,826.68
Return on Equity (A as a % of C)	**12.60%**	**7.12%**	**17.69%**	**15.39%**	**7.93%**

Net worth and return on net worth

Net worth is defined as the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Return on Net Worth is calculated as profit after tax for the period/ year divided by the Net Worth at the end of the respective year. The table below reconciles net worth and return on net worth for the periods or years indicated:

	For six months ended September 30,		**For Fiscals ended March 31,**		
	2024	**2023**	**2024**	**2023**	**2022**
	(in ₹ million, unless otherwise specified)				
Paid-up share capital **(A)**	568.52	568.52	568.52	568.52	568.52
Add: Other Equity **(B)**	3,625.90	3,061.10	3,129.66	2,805.24	2,356.40
Net Worth (C)	**4,194.42**	**3,629.62**	**3,698.18**	**3,373.76**	**2,924.92**
Profit after tax **(D)**	497.34	249.37	625.63	484.59	224.26
Return on Net Worth (D as a % of C)	**11.86%**	**6.87%**	**16.92%**	**14.36%**	**7.67%**

Net asset value per Equity Share

Net asset value per Equity Share represents total equity attributable to the owners of the Company divided by weighted average number of ordinary shares. Weighted average number of ordinary shares represents the weighted average number of ordinary shares outstanding during the relevant period or Fiscal. The table below reconciles net asset value per Equity Share:

	For six months ended September 30,		**For Fiscals ended March 31,**		
	2024	**2023**	**2024**	**2023**	**2022**
Total Equity attributable to the owners of the Company *(in ₹ million)* **(A)**	4,194.42	3,629.62	3,698.18	3,373.76	2,924.92
Weighted average number of ordinary shares *(in numbers)* **(B)**	56,851,538	56,851,538	56,851,538	56,851,538	56,851,538
Net asset value per Equity Share (C = A/B) *(in ₹)*	**73.78**	**63.84**	**65.05**	**59.34**	**51.45**

Net debt to EBITDA ratio

Net Debt to EBITDA ratio represents net debt divided by EBITDA. Net debt represents (i) the sum of other financial assets, cash and cash equivalents and other current financial assets, minus (ii) the sum of current and non-current borrowings, current and non-current lease liabilities and other financial liabilities. The table below reconciles net debt to EBITDA ratio for the periods or years indicated:

	For six months ended September 30,		**For Fiscals ended March 31,**		
	2024	**2023**	**2024**	**2023**	**2022**
	(in ₹ million, unless otherwise specified)				
Other financial assets **(A)**	50.15	46.17	47.72	38.69	26.99
Add: Cash and cash equivalents **(B)**	970.03	592.18	1,035.96	1049.89	1039.64
Add: Other current assets **(C)**	95.47	-	-	-	-
Less: Borrowings (non-current) **(D)**	1,510.11	1,091.27	1,223.20	1,308.15	857.24
Less: Borrowings (current) **(E)**	447.66	876.66	902.26	575.15	924.14
Less: Lease liabilities (non-current) **(F)**	142.66	18.72	12.96	24.24	32.9
Less: Lease liabilities (current) **(G)**	17.33	10.6	11.28	10.03	8.48
Less: Other financial liabilities **(H)**	54.75	311.28	293.92	276.09	366.22
Net debt (I = A+B+C-D-E-F-G-H)	**(1,056.86)**	**(1,670.18)**	**(1,359.94)**	**(1,105.08)**	**(1,122.35)**
EBITDA (J)	**1,010.96**	**661.45**	**1,499.95**	**1,248.11**	**828.63**
Net Debt to EBITDA ratio (I as a % of J)	**(1.05)**	**(2.53)**	**(0.91)**	**(0.89)**	**(1.35)**

Net Working Capital and Net Working Capital Turnover Ratio

Net working capital is defined as the difference between current assets and current liabilities. Net working Capital Turnover Ratio represents Net Working Capital divided by revenue from operations. The table below reconciles net working capital and net working capital turnover ratio for the periods or years indicated:

	For six months ended September 30,		For Fiscals ended March 31,		
	2024	**2023**	**2024**	**2023**	**2022**
	(in ₹ million, unless otherwise specified)				
Revenue from operations **(A)**	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Current Assets **(B)**	6,786.04	7,032.00	6,709.42	7,164.69	6,746.89
Current Liabilities **(C)**	4,610.41	5,519.05	5,319.81	5,553.21	5,908.98
Net Working Capital (D = B-C)	2,175.63	1,512.95	1,389.61	1,611.48	837.91
Net Working Capital Turnover Ratio (E = A/D)	**4.20**	**6.35**	**12.87**	**10.63**	**17.87**

Operational Working Capital

Operational working capital is defined as the sum of trade receivables and net inventories, minus trade payables. The table below reconciles the operational working capital for the periods or years indicated:

	For six months ended September 30,		For Fiscals ended March 31,		
	2024	**2023**	**2024**	**2023**	**2022**
	(in ₹ million, unless otherwise specified)				
Trade Receivables **(A)**	2,556.19	3,279.93	2,427.16	3,033.89	2,570.41
Add: Inventories **(B)**	2,909.91	2,718.29	2,864.48	2,553.00	2,366.41
Less: Trade payables **(C)**	3,565.36	3,886.69	3,654.94	4,280.91	4,286.61
Operational Working Capital (D = A+B-C)	**1,900.74**	**2,111.53**	**1,636.70**	**1,305.98**	**650.21**

Liquidity and Capital Resources

We believe that, after taking into account the expected cash to be generated from operations and our borrowings, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital.

Our future capital requirements will depend on many factors, including, but not limited to our growth, our ability to attract and retain customers, retain our suppliers at cost-effective terms, localization of our supply chain, leverage our R&D and manufacturing capabilities, address customer preferences and new market demand quickly, and manage competition. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected. See "***Risk Factors – Internal Risks – We require significant capital, and may need to seek additional financing to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows***" on page 57.

Cash Flows

The table below summarizes the statement of cash flows, as per our restated cash flow statements, for the periods or years indicated:

	For six months ended September 30,		Fiscal		
	2024	**2023**	**2024**	**2023**	**2022**
			(in ₹ million)		
Cash and cash equivalents at the beginning of the period/ year	1,035.96	1,049.89	1,049.89	1,039.64	594.90
Net cash generated from operating activities **(A)**	437.26	(109.23)	1,121.88	802.15	958.31
Net cash (used in) investing activities **(B)**	(184.10)	(309.14)	(846.84)	(617.65)	(594.48)
Net cash from/ (used in) financing activities **(C)**	(285.75)	(31.64)	(301.82)	(154.69)	85.26
Net increase / (decrease) in cash and cash equivalents **(A+B+C)**	(32.59)	(450.02)	(26.78)	29.81	449.08

	For six months ended September 30,		Fiscal		
	2024	2023	2024	2023	2022
			(in ₹ million)		
Cash and cash equivalents at the beginning of the period/year	1,035.96	1,049.89	1,049.89	1,039.64	594.90
Effect of exchange rate changes on cash and cash equivalents	(33.34)	(7.69)	12.85	(19.56)	(4.34)
Cash and cash equivalents at the end of the period/year	970.03	592.18	1,035.96	1,049.89	1,039.64

Operating Activities

Our net cash generated from operating activities for the six months ended September 30, 2024 was ₹ 437.26 million, while our operating cash flow before working capital changes was ₹ 1,070.43 million. The working capital adjustments made to our operating profit were primarily attributable to an increase in trade receivables of ₹ (132.66) million, a decrease in financial liabilities of ₹ (252.97) million and a decrease in trade payables of ₹ (123.39) million, which were partially offset by a decrease in other current assets of ₹ 127.38 million.

Our net cash used in operating activities for the six months ended September 30, 2023 was ₹ (109.23) million, while our operating cash flow before working capital changes was ₹ 649.11 million. The working capital adjustments made to our operating profit were primarily attributable to a decrease in trade payables of ₹ (348.55) million, an increase in trade receivables of ₹ (279.27) and an increase in inventories of ₹ (165.29) million, which were partially offset by a decrease in other current assets of ₹ 146.61 million.

Our net cash generated from operating activities for Fiscal 2024 was ₹1,121.88 million, while our operating cash flow before working capital changes was ₹1,443.63 million. The working capital adjustments made to our operating profit were primarily attributable to an increase in inventories of ₹ (311.48) million and a decrease in trade payables of ₹ (623.71) million, which were partially offset by a decrease in trade receivables of ₹636.49 million.

Our net cash generated from operating activities for Fiscal 2023 was ₹802.15 million, while our operating profit before working capital/other changes was ₹1,265.03 million. The working capital adjustments made to our operating profit were primarily attributable to an increase in trade receivables of ₹ (485.59) million and an increase in inventories of ₹(186.59) million, which were partially offset by a decrease in other current assets of ₹ 242.52 million.

Our net cash generated from operating activities for Fiscal 2022 was ₹958.31 million, while our operating cash flow before working capital/other changes was ₹839.09 million. The working capital adjustments made to our operating profit were primarily attributable to an increase in trade payables of ₹ 435.37 million and a decrease in trade receivables of ₹ 213.47 million, which were partially offset primarily by an increase in inventories of ₹ (494.32) million.

Investing Activities

Our net cash used in investing activities for the six months ended September 30, 2024 was ₹(184.10) million, which consisted of payment for purchase of property, plant and equipment of ₹ (192.89) million and payment on purchase of mutual fund investment of ₹(239.99) million, partially offset by proceeds from sale of mutual fund investment of ₹240.78 million.

Our net cash used in investing activities for the six months ended September 30, 2023 was ₹(309.14) million, which consisted of payment for purchase of property, plant and equipment of ₹ (254.78) million and payment on purchase of mutual fund investment of ₹(1,222.74) million, partially offset by proceeds from sale of mutual fund investment of ₹1,164.71 million.

Our net cash used in investing activities for Fiscal 2024 was ₹(846.84) million, which consisted of payment for purchase of property, plant and equipment of ₹ (590.25) million, payment for purchase of intangible assets of ₹ (273.24) million and payment on purchase of mutual fund investment of ₹(1,539.94) million, partially offset by proceeds from sale of mutual fund investment of ₹1,544.53 million.

Our net cash used in investing activities for Fiscal 2023 was ₹(617.65) million, which consisted of payment on purchase of mutual fund investment of ₹(5,704.72) million and payment for purchase of property, plant and

equipment of ₹ (627.37) million, partially offset by proceeds from sale of mutual fund investment of ₹5,717.26 million.

Our net cash used in investing activities for Fiscal 2022 was ₹(594.48) million, which consisted of payment for purchase of property, plant and equipment of ₹ (596.18) million and payment for purchase of intangible assets of ₹ (7.10) million, partially offset by proceeds from sale of property, plant and equipment of ₹7.42 million.

Financing Activities

Our net cash used in financing activities for the six months ended September 30, 2024 was ₹(285.75) million, primarily due to repayment of short-term borrowings availed (net) of ₹(484.64) million, repayment of long-term borrowings of ₹(208.46) million and payment of finance costs of ₹(106.25) million, which were partially offset by proceeds from long-term borrowings of ₹525.41 million.

Our net cash used in financing activities for the six months ended September 30, 2023 was ₹(31.64) million, primarily due to repayment of long-term borrowings of ₹(225.26) million and payment of finance costs of ₹(110.14) million, which were partially offset by short-term borrowings availed (net) of ₹309.89 million.

Our net cash used in financing activities for Fiscal 2024 was ₹(301.82) million, primarily due to repayment of long-term borrowings of ₹(417.09) million, payment of dividend of ₹ (309.10) million, payment of finance costs of ₹(222.67) million, which was partially offset by short-term borrowings availed (net) of ₹336.18 million and proceeds from borrowings of ₹323.07 million.

Our net cash used in financing activities for Fiscal 2023 was ₹(154.69) million, primarily due to repayment of long-term borrowings of ₹(464.46) million and short-term borrowings availed (net) of ₹(301.62) million and payment of finance costs of ₹(195.05) million, which was partially offset by proceeds from borrowings of ₹868.00 million.

Our net cash generated from financing activities for Fiscal 2022 was ₹85.26 million, primarily due to proceeds from long-term borrowings of ₹503.55 million and short-term borrowings availed (net) of ₹91.20 million, which were partially offset by repayment of borrowings of ₹(340.42) million and payment of finance costs of ₹(158.89) million.

Indebtedness

The following table sets forth our financial indebtedness as at dates indicated:

(₹ million)

Nature of borrowing	Amount as at September 30,		Amount as at March 31,		
	2024	2023	2024	2023	2022
Secured borrowings					
Working capital loans repayable on demand from banks	7.09	464.21	491.73	154.32	455.01
Current maturities of long term borrowings	440.57	412.45	410.53	420.83	469.13
Term loans	1,042.46	651.62	772.15	860.15	857.24
Total secured borrowings (A)	**1,490.12**	**1,528.28**	**1,674.41**	**1,435.30**	**1,781.38**
Unsecured borrowings					
Loans from related parties	467.65	439.65	451.05	448.00	-
Total unsecured borrowings (B)	**467.65**	**439.65**	**451.05**	**448.00**	**-**
Total (A+B)	**1,957.77**	**1,967.93**	**2,125.46**	**1,883.30**	**1,781.38**

For further details of our indebtedness, see "***Financial Indebtedness***" on page 348 for further details.

Contingent Liabilities and Commitments

The following table sets forth the principal components of our contingent liabilities (to the extent not specifically provided for) as of the dates indicated:

Particulars	As at September 30,		As at March 31,		
	2024	2023	2024	2023	2022
			(in ₹ million, unless otherwise specified)		
Contingent Liabilities**					
Income tax matters[(1) (2) (3)]	1,926.07	1,631.61	1,796.07	1,548.52	1,607.73
Indirect tax matters	9.20	-	9.20	-	-
Capital commitments					
Estimated amount of contracts in capital account remaining to be executed (net of advances) [(4)]	375.51	485.55	381.88	183.64	356.34

Notes:

** *During the current year refinement is done in disclosure of the contingent liability and accordingly contingent liability as at current year end and previous year end has been restated.*

(1) Income tax matters represent claims against the Company not acknowledged as debts.

(2) Future cash flows in respect of above matter are determinable only on receipt of judgements / decisions pending at various forums / authorities.

*(3) We have ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, transfer pricing and such similar matters. Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal. The amounts involved are based on the demand notices received by the Company. See "**Outstanding Litigation and Material Developments – Tax Proceedings Involving our Company**" on page 388, for more details of certain material tax proceedings involving our Company.*

(4) Our capital commitments include capital amount on manufacturing equipment and facilities.

Capital Expenditure

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for acquisition and maintenance of plant, property and equipment and intangible assets in relation to our products and manufacturing.

On October 1, 2023, Carraro S.p.A. transferred the worldwide exclusive rights, title and interest in the IP rights of certain products customized for the Indian market to our Company pursuant to the IP assignment agreement (the "**IP Assignment Agreement**"), for which Carraro S.p.A. provides engineering support services on the maintenance of products and child parts pursuant to the engineering service agreement dated the same date. Our capital expenditure in acquiring the foregoing IP rights pursuant to the IP Assignment Agreement was recorded as our purchase of intangible assets in Fiscal 2024.

The table below sets forth our capital expenditure in the periods or years indicated:

	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Purchase of property, plant and equipment (including capital advances and capital creditors) *(₹ million)*	192.89	254.78	590.25	627.37	596.18
Purchase of intangible assets *(₹ million)*	0.00	1.29	273.24	4.97	7.10

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information, see "***Summary of the Offer Document – Summary of related party transactions***" on page 16.

Significant Economic Changes

Other than as described in "***Our Business***" on page 195, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above "***– Principal Factors Affecting our Financial Condition and Results of Operation***" on page 355 and the uncertainties described in "***Risk Factors***" on page 25. To our knowledge, except as described or anticipated in this Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Seasonality of Business

The sales and prices of our vehicles are influenced by the cyclicality and seasonality of demand for agricultural tractors and construction vehicles in India and the countries in which our customers operate. For further details, see "***Risk Factors – Internal Risks – Our agricultural tractor business is seasonal in nature and a decrease in our sales during some quarters could have an adverse impact on our financial performance***" on page 30.

Competitive Conditions

We face intense competition from domestic and foreign OEM suppliers in India and outside India. Our existing and future competitors may have significantly greater financial resources that can be devoted to design, development, manufacturing, marketing, sales and support of their vehicles. They may also have technical and manufacturing capabilities and/or marketing, distribution and service network and brand recognition that is comparable to, or more developed than, our own. For further details, see "***Risk Factors – Internal Risks – We may not be able to compete successfully in the highly competitive and fast evolving agricultural tractor and construction vehicle market****"* on page 39.

New Products or Business Segments Expected

Except as disclosed in "***Our Business***" on page 195, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on Single or Few Customers or Suppliers

Revenues from any particular customer may vary between financial reporting years depending on the nature and term of ongoing contracts with such customer.

The following table sets forth details of revenue from operations generated from the top 10 customers of our Company on consolidated groups basis, which consolidate revenue contribution by customer entities in the same group, for the periods or years indicated:

	For six months ended September 30,		For Fiscals ended March 31,		
	2024	**2023**	**2024**	**2023**	**2022**
Revenue from operations *(₹ million)*	9,146.19	9,610.27	17,889.65	17,131.45	14,975.43
Revenue from top 10 customers on consolidated groups basis *(₹ million)*	8,037.27	8,223.42	15,276.60	14,887.95	13,209.33
Revenue from top 10 customers on consolidated groups basis as a % of revenue from operations *(%)*	87.88%	85.57%	85.39%	86.90%	88.21%

For further details, see "***Risk Factors – Internal Risks – We derived 69.55% and 87.88% of our revenue in the six months ended September 30, 2024 and 69.37% and 85.39% of our revenue in Fiscal 2024 from our top five and top 10 customers, respectively, and any inability to retain our key customers or attract new customers and expand our customer network, could negatively affect our business and results of operations***" and "***Our Business – Description of Our Business and Operations – Sales and Distribution – Customer Relationships and Network***" on pages 26 and 232, respectively.

The following sets forth details of supplies sourced from our top-five suppliers and top-10 suppliers for the periods or years indicated:

Particulars	For six months ended September 30,		For Fiscals ended March 31,		
	2024	2023	2024	2023	2022
Cost of materials consumed (*₹ million*)	6,645.75	7,359.66	13,372.42	12,905.08	11,408.61
Top five suppliers as a % of total costs of materials consumed	20.53%	21.85%	21.76%	21.33%	20.56%
Top 10 suppliers as a % of total costs of materials consumed	30.68%	32.48%	32.38%	31.95%	31.39%

For further details, see "***Risk Factors – Internal Risks – We depend on our supplier base of 220 suppliers in India and 58 suppliers internationally for raw materials, parts and other materials***. ***Any interruption in the availability of raw materials, parts and other materials, or any disruption, breakdown or shutdown of our suppliers or any instability of our supplier base could adversely impact our operations***" and "***Our Business – Description of Our Business and Operations – Procurement and Raw Materials***" on pages 43 and 226, respectively.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Quantitative and Qualitative Disclosures about Market Risks

We are exposed to various types of market risks during the normal course of business. For further details, see "***Risk Factors***" beginning on page 25:

Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Our Group's borrowings comprise of loans from related parties which bear a floating rate of interest.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our Group's exposure to the risk of changes in foreign exchange rates relates primarily to our Company's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables and receivables.

Our Company enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counterparty to our Company's foreign currency contracts is generally a bank. Our mark-to-market gain/(loss) of ₹ 32.02 million, ₹ (13.61) million, ₹ (13.08) million and ₹ (0.07) million is recognized in the restated statement of profit and loss for the six months ended September 30, 2024 and September 30, 2023, Fiscal 2024 and Fiscal 2023, respectively. The table below sets forth the outstanding forward contracts entered into by our Group:

	For six months ended September 30,		For Fiscal ended March 31,		
	2024	2023	2024	2023	2022
To buy Euro (Hedge of foreign currency loan and other payables)					
Currency value	5,000,000	5,000,000	5,000,000	5,000,000	-
₹ in million	467.65	439.65	451.05	448.00	-

The year/ period end unhedged foreign currency exposures are given below:

Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

	Particulars	As at September 30,		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
		2024	2023			
(a)	**Trade receivables:**					
	In EURO	3,629,142	10,368,163	7,136,904	5,906,363	6,109,782
	Equivalent in ₹ million	339.43	911.67	643.82	505.07	517.19
	In USD	1,223,988	1,745,553	1,152,551	1,472,980	1,369,054
	Equivalent in ₹ million	102.55	144.97	96.09	121.09	103.77
	In CNY	1,342,276	-	1,437,077	-	-
	Equivalent in ₹ million	16.03	-	16.58	-	-
(b)	**Bank balances in EEFC accounts:**					
	In USD	201,628	293,716	303,751	189,862	1,381,513
	Equivalent in ₹ million	16.89	24.39	25.32	15.61	104.72
	In EURO	8,788,467	2,089,397	5,607,187	8,361,952	5,798,222
	Equivalent in ₹ million	821.99	183.72	505.82	749.23	490.82
(c)	**Trade payables:**					
	In EURO	10,956,708	10,130,040	11,623,807	14,371,555	11,701,199
	Equivalent in ₹ million	1,024.78	890.73	1,048.58	1,287.69	990.51
	In USD	643,459	2,123,840	1,057,175	9,877,121	2,381,981
	Equivalent in ₹ million	53.91	176.38	88.14	812.00	180.55
	In JPY	45,600,000	-	45,600,000	-	38,900,000
	Equivalent in ₹ million	26.95	-	25.12	-	24.21
	In CNY	5,437,420	-	3,619,804	-	-
	Equivalent in ₹ million	64.93	-	41.76	-	-

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonable possible change in exchange rate, with all other variables held constant. The impact on our Group's restated profit before tax due to changes in the fair value of monetary assets and liabilities is as follows:

Impact on Profit/(Loss) before tax for the period/ year

	Particulars	For six months ended September 30,		For the year ended March 31,		
		2024	2023	2024	2023	2022
(a)	**Trade receivables:**					
	EURO currency:					
	0.50% increase (%)	1.70	4.56	3.22	2.53	2.59
	0.50% decrease (%)	(1.70)	(4.56)	(3.22)	(2.53)	(2.59)
	USD currency:					
	0.50% increase (%)	0.51	0.72	0.48	0.61	0.52
	0.50% decrease (%)	(0.51)	(0.72)	(0.48)	(0.61)	(0.52)
	CNY currency:					
	0.50% increase (%)	0.08	-	0.08	-	-
	0.50% decrease (%)	(0.08)	-	(0.08)	-	-
(b)	**Bank balances in EEFC accounts:**					
	USD currency:					

Particulars	For six months ended September 30,		For the year ended March 31,		
	2024	2023	2024	2023	2022
0.50% increase (%)	0.08	0.12	0.13	0.08	0.52
0.50% decrease (%)	(0.08)	(0.12)	(0.13)	(0.08)	(0.52)
EURO currency:					
0.50% increase (%)	4.11	0.92	2.53	3.75	2.45
0.50% decrease (%)	(4.11)	(0.92)	(2.53)	(3.75)	(2.45)
(c) Trade payables:					
EURO currency:					
0.50% increase (%)	(5.12)	(4.45)	(5.24)	(6.44)	(4.95)
0.50% decrease (%)	5.12	4.45	5.24	6.44	4.95
USD currency:					
0.50% increase (%)	(0.27)	(0.88)	(0.44)	(4.06)	(0.90)
0.50% decrease (%)	0.27	0.88	0.44	4.06	0.90
JPY currency:					
0.50% increase (%)	(0.13)	-	(0.13)	-	(0.12)
0.50% decrease (%)	0.13	-	0.13	-	0.12
CNY currency:					
0.50% increase (%)	(0.32)	-	(0.21)	-	-
0.50% decrease (%)	0.32	-	0.21	-	-

(c) Commodity price risk

Our Group's operating activities require the ongoing purchase of various commodities for manufacture of automotive parts. However, the movement in commodity prices are substantially adjusted through price differences as per customer contracts and hence commodity price risk for our Company is also considered to be low.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Group is exposed to credit risk from its operating activities (primarily trade receivables).

(a) Trade receivables

Our Group has adopted a policy of only dealing with counterparties that have sufficient credit rating. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which our Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, our Company uses expected credit loss model to assess the impairment loss or gain. Our Group has applied a simplified approach under Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by our Company's in accordance with our Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by our Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of our Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that our Company will not be able to meet its financial obligations as they become due. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. Our Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

Liquidity risk table

The table below summarizes the maturity profile of our Company's financial liabilities based on contractual undiscounted payments.

(in ₹ million)

Particulars	Up to 1 year	1-5 years	Total
September 30, 2024			
Lease liabilities	31.81	98.43	**130.24**
Borrowings	447.66	-	**447.66**
Trade payables	3,565.36	-	**3,565.36**
Other financial liabilities	54.75	-	**54.75**
Total	**4,099.58**	**98.43**	**4,198.01**
September 30, 2023			
Lease liabilities	12.40	19.76	**32.16**
Borrowings	876.66	-	**876.66**
Trade payables	3,886.69	-	**3,886.69**
Other financial liabilities	311.28	-	**311.28**
Total	**5,087.03**	**19.76**	**5,106.79**
March 31, 2024			
Lease liabilities	12.08	25.62	**37.70**
Borrowings	902.26	1,223.20	**2,125.46**
Trade payables	3,654.94	-	**3,654.94**
Other financial liabilities	293.92	-	**293.92**
Total	**4,863.20**	**1,248.82**	**6,112.02**
March 31, 2023			
Lease liabilities	11.66	37.71	**49.37**
Borrowings	575.15	1,308.15	**1,883.30**
Trade payables	4,280.91	-	**4,280.91**
Other financial liabilities	276.09	-	**276.09**
Total	**5,143.81**	**1,345.86**	**6,489.67**
March 31, 2022			
Lease liabilities	10.19	47.78	**57.97**
Borrowings	924.14	857.24	**1,781.38**
Trade payables	4,286.61	-	**4,286.61**
Other financial liabilities	366.22	-	**366.22**
Total	**5,587.16**	**905.02**	**6,492.18**

The above table details our Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which our Company can be required to pay.

Critical Accounting Policies and Use of Judgements and Estimates

A full description of our material accounting policies adopted in the preparation of our Restated Consolidated Financial Information is provided in Note 3 to our Restated Consolidated Financial Information. See "***Section V – Financial Information – Restated Consolidated Financial Information – Material Accounting Policy Information***" on page 291. The critical accounting policies that our management believes to be the most significant are summarized below:

Revenue Recognition

According to Ind AS 115, revenue is measured at the amount of consideration our Group expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognized using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied.

Our Group has applied the guidance in Ind AS 115, Revenue from Contract with Customer, by applying the revenue recognition criteria for each distinct performance obligation. Our Group derives revenue primarily from technical engineering designs. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing, by the parties to the contract, the parties have committed to perform their obligations under the contract and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ('performance obligations') to customers in an amount that reflects the consideration our Group has received or expects to receive in exchange for these products or services ('transaction price'). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The contract with customers are time and material based and its revenue is recognized for the amount to which our Group has the right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Property, Plant and Equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction are disclosed as capital work-in-progress.

Leasehold land is stated at historical cost less amounts amortized proportionate to expired lease period.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready to use at the Balance Sheet date.

Subsequent Expenditure:

Subsequent Expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to our Group and the cost of the item can be measured reliably.

Depreciation/ Amortization:

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013.

Type of asset	Estimated useful life
Dies, Pattern, Fixtures and Tools	4-12 years
Plant and Machinery	8-25 years
Factory Buildings	25-50 years
Vehicles	1-4 years
Office Equipment	8 years
Computers	5-8 years
Furniture and Fixture	14-16 years

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

Derecognition:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Special Purpose Statement of Profit and Loss in the year the asset is derecognized.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined as at weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Provisions, contingent liabilities and contingent asset

Provisions

A provision is recognized if, as a result of past event, our Group has a present obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

- Warranty provisions

The estimated liability for product warranties is recognized when products are sold or when new warranty programs are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing of outflows will vary depending on when warranty claim will arise, being typically up to four years. Our Group also has back-to-back contractual arrangement with our suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date.

- Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by our Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established our Company recognizes any impairment loss on the assets associated with that contract.

Contingent Liabilities

A contingent liability exists when there is a possible but not probable obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation arising from the past event, that may, but probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed in the Consolidated Financial Statements unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are neither recognized nor disclosed in the Consolidated Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Employee benefits

Defined benefit plans

Our Group's gratuity scheme is a defined benefit plan. Our Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for

their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows.

The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized in restated other comprehensive income, net of taxes, for the period in which they occur. All the expenses that relate to the defined benefit plan are recognized in statement of Profit and Loss. Our Company recognizes gains and losses on curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs, in the statement of Profit and Loss.

The obligation under the defined benefit plan is measured after taking into account changes in legislation as have been enacted up to the Balance Sheet date.

Defined contribution plans

Our Group's contribution towards employee's provident fund and employee state insurance scheme are defined contribution plans. Our Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme. Our Company's contribution paid/payable under the schemes is recognized as employee benefits expense in the statement of Profit and Loss during the period in which the employee renders the related service.

Compensated absences

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Our Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the statement of Profit and Loss in the year in which they arise.

Other benefits

Our Group has other long-term employee benefit plan in the form of retention bonus for those employees, who are identified to ensure continuity of special projects / tasks / activities. This amount will be payable on completion of their three years of service payable in 37th and 40th month salary equally. Liability for the same is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits expense. Benefits such as salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the period ended September 30, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to our Company.

Significant Developments after September 30, 2024 that may affect our future results of operations

Except as disclosed in this Red Herring Prospectus, there are no significant developments occurring after September 30, 2024 that may affect our future results of operations.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities including notices issued by such authorities; (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and the total amount involved); and (iv) other outstanding litigation as determined to be material pursuant to the Materiality Policy in accordance with the SEBI ICDR Regulations in each case involving our Company, Subsidiary, Promoters and Directors ("**Relevant Parties**").*

Further, there is no outstanding litigation involving the Group Companies, which has a material impact on our Company.

Pursuant to the Materiality Policy adopted by our Board of Directors on August 23, 2024 for the purposes of (iv) above, any pending litigation involving the Relevant Parties, has been considered 'material' and accordingly disclosed in this Red Herring Prospectus where:

*(i) The aggregate monetary claim/ dispute amount, to the extent quantifiable, exceeds 2% of turnover as per the Restated Consolidated Financial Information for Fiscal 2024, or 2% of net worth based on the Restated Consolidated Financial Information as at March 31, 2024, or 5% of the average of absolute value of profit or loss after tax, as per the Restated Information of our Company for the last three Fiscals, whichever is lower ("**Materiality Threshold**"); or*

(ii) pending litigations where the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; or

(iii) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, financial position or reputation of the Company.

2% of turnover, as per the Restated Consolidated Financial Information for Fiscal 2024 is ₹ 357.79 million, 2% of net worth, as per the Restated Consolidated Financial Information as at March 31, 2024 is ₹ 73.96 million and 5% of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information for the last three Fiscals is ₹ 22.24 million. Accordingly, ₹ 22.24 million has been considered as the materiality threshold for the purpose of (i) above.

Pre-litigation notices received by any of the Relevant Parties from third parties (excluding such notices issued by any governmental/ statutory/ regulatory/ governmental/ taxation authorities or where criminal action is threatened) shall not be considered as litigation until such time that the Relevant Parties are impleaded as defendants or parties in litigation or arbitration proceedings before any judicial/ arbitral forum.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further in terms of the Materiality Policy, a creditor shall be considered "material", if the outstanding dues to such creditor is equal to or exceeds 5% of total outstanding dues (trade payables) of our Company, as on the date of the Restated Consolidated Financial Information as disclosed in this Red Herring Prospectus ("**Material Creditors**"). Accordingly, as on September 30, 2024, any outstanding dues exceeding ₹ 178.27 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. For outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding the status of the creditor as defined under Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.*

I. Litigation involving our Company

A. Litigation against our Company

a) Criminal proceedings

Nil

b) Actions taken by regulatory and statutory authorities

Our Company received a notice dated June 13, 2024 ("**Notice**"), from the Employee Provident Fund Organisation, Pune ("**EPFO**"), directing our Company to, (i) enroll the trainees engaged by our Company ("**Trainees**") through certain third party facilitators, approved by the All India Council for Technical Education ("**Facilitators**") under the National Employability Enhancement Regulations ("**NEEM Scheme**"), from the date of commencement of the NEEM Scheme until its closure, December 23, 2022, as employees; and (ii) remit the provident fund and allied dues under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") to the Trainees. Our Company has responded to the Notice, by way of its letter dated July 11, 2024, stating that our Company pays a single consolidated amount towards stipend to the Facilitators engaged by us, who remit such stipend to the Trainees which does not attract any statutory deduction as contemplated under the applicable labour laws, and accordingly such Trainees are not identified as employees of the Company.

Separately, under a writ petition filed by certain Facilitators before the High Court of Bombay, contesting certain observations issued by the Regional Provident Fund Commissioner prescribing that the trainees engaged through the NEEM Scheme fall within the definition of 'employees' under the EPF Act, the Union of India (through the Ministry of Education) has been directed by the High Court of Bombay to not take coercive action in relation to implementation of the NEEM Scheme, which is currently pending. Accordingly, our Company has requested the EPFO to not take any coercive action against our Company during the pendency of such writ petition. The matter is currently pending.

c) Material civil proceedings

Nil

B. Litigation by our Company

a) Criminal proceedings

Nil

b) Material civil proceedings

Nil

C. Tax proceedings involving our Company

Particulars	Number of cases	Aggregate amount involved* (*in ₹ million*)
Direct tax	21	2,086.58#
Indirect tax	15	981.58
Total	**36**	**3,068.16**

** To the extent quantifiable, and inclusive of accrued interest, to the extent quantified in the relevant demand notices.*
Amount involved is disclosed on an overall basis (i.e., exclusive of relief(s) granted by lower appellate forums).

Description of tax proceedings involving our Company, exceeding the materiality threshold

1. Our Company received a notice from the Office of Assistant Commissioner of Customs, Talegaon ("**Customs**") dated May 6, 2024 ("**Notice**") alleging that our Company had misclassified the import of goods under Schedule III/452 G prescribed by the Central Board of Indirect Taxes and Customs (Goods and Services Tax), pertaining to gear boxes and parts of tractors (taxable at 18%) which was lower than the amount payable pursuant to correct classification of the imported goods under Schedule IV/170, pertaining to parts and accessories of the motor vehicles, other than specified parts of tractors (taxable at 28%). In this regard, our Company has been requested to pay the differential duty of ₹ 22.24 million, along with interest. Our Company by way of its letter dated May 23, 2024, has responded to the Notice stating the submissions made by the Company against the allegations. The matter is currently pending.

2. Our Company received a notice from the Office of the Joint Director General of Foreign Trade ("**Jt. DGFT**") dated September 14, 2022 ("**Notice**") alleging that the same value of average export obligation ("**AEO**") was being recorded for five export promotion capital goods ("**EPCG**") licenses issued over

three financial years for the same licensee, *i.e.*, Turbo Gears Private Limited (*which was amalgamated with our Company with effect from September 23, 2014*) ("**Turbo Gears**") was not regular. Our Company by way of its letter dated November 21, 2022, responded to the Notice stating that, (i) only the original AEO imposed through the licenses issued to Turbo Gears in the Financial Year 2011 had the same values, while the other licenses issued in Financial Years 2012 and 2013 had different values; (ii) pursuant to the amalgamation of Turbo Gears with our Company, such licenses through which AEOs were imposed on Turbo Gears and our Company, had been amended, and an amendment sheet was issued by Jt. DGFT on August 28, 2016, where the same value was erroneously assigned for average export obligations for all five EPCG licenses. The aggregate liability on the Company is ₹ 52.64 million. The matter is currently pending.

3. Our Company received a notice from the Office of the Superintendent, CGST, Division VII (Shirur), Pune dated July 13, 2022 ("**Notice**") alleging that our Company had availed excess input tax credit of ₹ 622.10 million for the Financial Year 2017-18. Our Company by way of its letter dated August 1, 2022, responded to the Notice stating that (i) the excess input tax credit, was due to certain manual typographical and clerical errors and technical issues faced while making the monthly filings of Form GSTR-3B; (ii) however, input tax credit aggregating to ₹ 622.27 million had been reversed by paying additional liability through Form GSTR-3B filed by our Company in the months of March 2018 and through return filings made in May 2018; and (iii) the excess input tax credit amounting to ₹ 0.17 million had been reversed for the Financial Year 2018, thereby clarifying that our Company had reversed more input tax credit in the months of March 2018 and May 2018 than the excess input tax credit required to be reversed and alleged in the Notice. The matter is currently pending.

4. Our Company received a notice from the Office of the Superintendent, Central GST, Division VII (Shirur), Pune, dated February 21, 2022 ("**Notice**") alleging that during the period April 2021 to December 2021, there was a difference of ₹ 196.60 million in input tax credit as recorded in Form GSTR-2A and the input tax credit availed by our Company in its corresponding Form GSTR-3B. Our Company by way of its letter dated March 1, 2022, responded to the Notice clarifying that the discrepancies highlighted in the Notice does not match the actual input tax credit recorded in the Forms GSTR-3B filed by our Company, and has requested for closure of the matter. The matter is currently pending.

5. Our Company received a notice from the Office of the Superintendent, Central GST, Division VII (Shirur), Pune dated December 16, 2021 ("**Notice**") seeking clarification in relation to the discrepancy in reversal of input tax credit for the period between July 2017 and March 2021. The Notice stated that our Company had been providing both taxable and exempted supply of goods and/ or services, without reversing the input tax credit as required under Rules 42 and 43 of the Central Goods and Services Tax Rules, 2017. Further, it was alleged that the credit reversal made by our Company amounting to ₹ 47.00 million was substantially lower than the estimated input tax credit required to be reversed. Our Company by way of its letter dated December 29, 2021, responded to the Notice clarifying that the discrepancies highlighted in the Notice do not match with the monthly Forms GSTR-3B filed by our Company for financial years 2017-2021, and requested for closure of the matter. The matter is currently pending.

6. Our Company received show cause notices ("**SCNs**") dated October 17, 2023 and October 19, 2023, from the Transfer Pricing Officer, Income Tax Department ("**IT Department**", and such officer, "**TPO**"), for the assessment year 2021-22 disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its associated enterprises ("**AEs**"), relating to, among others, (i) manufacturing of gears segment; (ii) payment of professional fees; (iii) payment of brand royalty; (iv) technical know-how royalty on sub-assemblies; and (v) information technology enabled services were at arm's length price. Pursuant to the SCNs, the TPO issued an order dated October 30, 2023 ("**Transfer Pricing Order**"), making a transfer pricing adjustment to the amounts for such international transactions undertaken by our Company, resulting in an increase in the taxable income of our Company. Further, an assessment order dated January 18, 2024 ("**Order**") was passed by the Assessing Officer, IT Department ("**AO**"), in relation to the alleged variation of income due to addition/ disallowance of, among others, (a) transfer pricing adjustment proposed by the TPO in connection with the aforesaid transactions; and (b) treating an investment in time deposit made by our Company as an unexplained investment. Our Company filed an appeal dated February 16, 2024, before the Commissioner of Income Tax (Appeals) ("**CIT(A)**") challenging the Order on the grounds that, *inter alia*, the AO erred in (i) not accepting the arm's length price of the international transactions determined by our Company; (ii) making erroneous addition on account of unexplained investment in time deposit; and (iii) assessing the income of our Company as against the returned income.

Our Company has made a renewal application dated March 26, 2021 to the Principal Commissioner of Income Tax (International Taxation) ("**PCIT (International Taxation)**") to negotiate a unilateral advance pricing agreement ("**Unilateral APA**") to obtain certainty on its transfer pricing policy in relation to the above mentioned international transactions, and is currently pending before the authorities. The aggregate tax liability of our Company in this matter is ₹ 224.73 million. The matter is currently pending.

7. Our Company received SCNs dated June 23, 2023, July 21, 2023, and July 23, 2023, from the TPO, for the assessment year 2020-21, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, (i) manufacturing of gears segment; (ii) payment of professional fees; (iii) payment of brand royalty; (iv) technical know-how royalty on sub-assemblies; (v) information technology enabled services; and (vi) trading service segment, were at arm's length price. Pursuant to the SCNs, the TPO issued an order dated July 30, 2023 ("**Transfer Pricing Order**"), making a transfer pricing adjustment to the amounts for such transactions undertaken by our Company with its AEs, resulting in an increase in the taxable income of our Company. Further, the AO passed an assessment order dated October 27, 2023 ("**Order**"), in relation to the alleged variation of income due to addition/ disallowance of, among others, (a) transfer pricing adjustment proposed by the TPO in connection with the aforesaid transactions; (b) alleged difference between elements of opening and closing stock of our Company as income; and (c) education cess claimed by our Company. Our Company filed an appeal dated November 25, 2023, before the CIT(A) challenging the Order on the grounds that, *inter alia*, the AO erred in: (i) not accepting the arms' length price determined by our Company for such international transactions; (ii) making erroneous addition on account of difference in stock due to reclassification while reporting; and (iii) assessing the income of our Company as against the returned income. Subsequently, our Company made an application dated February 21, 2023, requesting the AO for re-computation of the total income.

   Our Company has made an application dated March 31, 2016 to the PCIT (International Taxation) to negotiate a Unilateral APA to obtain certainty on its transfer pricing policy in relation to the aforesaid international transactions, and is currently pending before the authorities. The aggregate tax liability of our Company in this matter is ₹ 111.53 million. The matter is currently pending.

8. Our Company received SCNs dated July 10, 2021 and July 23, 2021, from the TPO, for the assessment year 2018-19, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, (i) manufacturing of gears segment; (ii) payment of professional fees; (iii) payment brand royalty; and (iv) technical know-how royalty on sub-assemblies, were at arm's length price. Pursuant to the SCNs, the TPO issued an order dated July 30, 2021 ("**Transfer Pricing Order**"), making a transfer pricing adjustment to the amounts for such international transactions undertaken by our Company with its AEs, resulting in an increase in the taxable income of our Company. Further, the AO passed an assessment order dated November 28, 2021 ("**Order**"), in relation to the alleged variation of income due to addition/ disallowance of, among others, (a) transfer pricing adjustment proposed by the TPO in connection with the aforesaid transactions; and (b) disallowance of warranty expense fees paid by our Company. Our Company filed an appeal dated April 1, 2022, before the CIT(A) challenging the Order on the grounds that, *inter alia*, the AO erred in: (i) not accepting the arms' length price determined by our Company for such international transactions; (ii) passing the Order beyond the prescribed time limit; and (iii) treating warranty reimbursement made to the AEs as fees for technical services.

   Our Company has made an application dated March 31, 2016 to the PCIT (International Taxation) to negotiate a Unilateral APA to obtain certainty on its transfer pricing policy in relation to the aforesaid international transactions, and is currently pending before the authorities. Further, the AEs and our Company have made an application on April 17, 2023, to initiate the mutual agreement procedure ("**MAP**") under the Double Taxation Avoidance Treaty ("**DTA Treaty**"), in relation to the aforesaid international transactions. The aggregate tax liability of our Company in this matter is ₹ 64.82 million. The matter is currently pending.

9. Our Company received a SCN dated October 13, 2020, from the TPO, for the assessment year 2017-18, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, among others, (i) manufacturing of gears segment; (ii) payment of professional fees; and (iii) payment of brand royalty; and (iv) technical know-how royalty on sub-assemblies, were at arm's length price. Pursuant to the SCN, the TPO issued an order dated December 15, 2020 ("**Transfer Pricing Order**"), making a transfer pricing adjustment to the amounts

for such international transactions, undertaken by our Company with its AEs, resulting in an increase in the taxable income of our Company. Further, the AO passed an assessment order dated April 22, 2021 ("**Order**"), in relation to the alleged variation of income due to addition/ disallowance of, among others, (a) transfer pricing adjustment proposed by the TPO in connection with the aforesaid transactions; (b) disallowance of warranty expense fees paid by our Company; and (c) disallowance of commissions paid on overseas sales without deduction of tax. Our Company filed an appeal dated May 19, 2021, before the CIT(A) challenging the Order on the grounds that, *inter alia*, the AO erred in: (i) not accepting the arms' length price determined by our Company for such international transactions; (ii) treating warranty reimbursement made to the AEs as fees for technical services; (iii) assessing the income of our Company as against the returned income; and (v) disallowance of claim of amortization of lease charges on lease hold property.

Subsequently, the Principal Commissioner of Income Tax-1, Pune ("**PCIT-1**") issued a revision order dated September 15, 2022 ("**PCIT Order**"), partly setting aside the Order and directing the AO to re-examine the computation of income of our Company. Our Company filed an appeal with the Income Tax Appellate Tribunal ("**ITAT**") dated November 4, 2022, challenging the validity of initiation of revision proceedings pursuant to the PCIT Order, which was set aside by the ITAT by way of its order dated July 25, 2023 ("**ITAT Order**"). Consequent to the ITAT Order, the AO dropped the revision proceedings against our Company, through its order dated December 4, 2023. However, an appeal dated December 22, 2023, was filed by the PCIT-1 before the High Court of Bombay against the ITAT Order.

Our Company has made an application dated March 31, 2016, to the PCIT (International Taxation) to negotiate a Unilateral APA to obtain certainty on its transfer pricing policy in relation to the aforesaid international transactions, and is currently pending before the authorities. Further, the AEs and our Company have made an application on April 17, 2023, to initiate the MAP under the DTA Treaty, in relation to the aforesaid international transactions. The aggregate tax liability of our Company in this matter is ₹ 189.53 million. The matter is currently pending.

10. Our Company received a SCN dated October 11, 2019, from the TPO, for the assessment year 2016-17, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, among others, (i) manufacturing axles and transmissions segment; (ii) payment of professional fees; (iii) payment of brand royalty; and (iv) manufacturing of gears segment, were at arm's length price. Pursuant to the SCN, the TPO issued an order dated November 1, 2019 ("**Transfer Pricing Order**"), making a transfer pricing adjustment to the amounts for such international transactions undertaken by our Company with its AEs, resulting in an increase in the taxable income of our Company. Further, the AO passed an assessment order dated January 28, 2020 ("**Order**"), in relation to the alleged variation of income due to addition/ disallowance of, among others, (a) transfer pricing adjustment proposed by the TPO in connection with the aforesaid transactions; (b) disallowance of royalty paid to the AEs (c) disallowance of warranty expense fees paid by our Company; (d) disallowance of legal and professional fees paid to the AEs; and (e) disallowance of commissions paid on overseas sales without deduction of tax. Our Company filed an appeal dated February 26, 2020, before the CIT(A) challenging the Order on the grounds that, *inter alia*, the AO erred in (i) not accepting the arms' length price of the international transactions; (ii) passing the Transfer Pricing Order beyond the prescribed time limit; (iii) disallowing legal and professional fees; (iv) disallowing brand royalty and technical know-how; (v) treating warranty reimbursement made to the AEs as fees for technical services; (vi) invoking disallowance of commission paid on overseas sales on account of non-withholding of taxes; and (vii) assessing the income of our Company as against the returned income.

Our Company has made an application dated March 31, 2016, to the PCIT (International Taxation) to negotiate a Unilateral APA to obtain certainty on its transfer pricing policy in relation to the aforesaid international transactions, and is currently pending before the authorities. Further, the AEs and our Company have made an application to the Joint Secretary, Foreign Tax and Tax Research Division, Central Board of Direct Taxes and Customs, New Delhi for initiation of MAP under the DTA Treaty on February 23, 2021, in relation to the aforesaid international transactions. The aggregate tax liability of our Company in this matter is ₹ 263.78 million. The matter is currently pending.

11. Our Company received a SCN dated October 9, 2018, from the TPO, for the assessment year 2015-16, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, among others, (i) payment of management/ professional fees; and (ii) payment of brand royalty; and (iii) payment of technical know-how royalty on

sub-assemblies, were at arm's length price. Pursuant to the SCN, the TPO issued an order dated October 31, 2018 ("**Transfer Pricing Order**"), making a transfer pricing adjustment to the amounts for such international transactions undertaken by our Company with its AEs, resulting in an increase in the taxable income of our Company. Further, the AO passed an assessment order dated February 27, 2019, ("**Order**"), in relation to the alleged variation of income due to addition/ disallowance of, among others, (a) transfer pricing adjustment proposed by the TPO in connection with the aforesaid transactions; (b) disallowance of royalty paid to the AEs; (c) disallowance of legal and professional fees paid to the AEs; and (d) disallowance of commissions paid on overseas sales without deduction of tax. Our Company has filed an appeal dated March 28, 2019, before the CIT(A) challenging the Order on the grounds that, inter alia, the AO erred in (i) not accepting the arms' length price determined by our Company; (ii) disallowing legal and professional fees; (iii) disallowing brand royalty and technical know-how; (iv) treating warranty reimbursement made to the AEs as fees for technical services; (v) invoking disallowance of commission paid on overseas sales on account of non-withholding of taxes; (vi) assessing the income of our Company as against the returned income. Subsequently, the AO passed a rectification order dated October 26, 2023, denying the minimum alternate tax credit available to the Company.

Further, the AEs and our Company have made an application on February 23, 2021, to initiate the MAP under the DTA Treaty in relation to the aforesaid international transactions. The aggregate tax liability of our Company is ₹ 313.14 million. The matter is currently pending.

12. Our Company received a SCN dated July 28, 2017, from the TPO, for the assessment year 2014-15, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, among others, (i) payment of management/ professional fees; and (ii) payment of brand royalty, were at arm's length price. Pursuant to the SCN, the TPO issued an order dated August 30, 2017 ("**Transfer Pricing Order**"), making a transfer pricing adjustment to the amounts for such international transactions undertaken by our Company with its AEs, resulting in an increase in the taxable income of our Company. Further, the Deputy Commissioner of Income Tax, Circle 1(1), Pune ("**Deputy Commissioner**") passed an assessment order dated January 19, 2018 ("**Order**"), in relation to the alleged variation of income due to additional/ disallowance of, among others, (a) transfer pricing adjustment proposed by the TPO in connection with the aforesaid transactions; (b) disallowance of amortization of loose tools by our Company; (c) disallowance of legal and professional fees paid to the AEs; and (d) disallowance of commissions paid on overseas sales without deduction of tax; and (e) disallowance of royalty paid to the AEs. Our Company has filed an appeal dated February 16, 2018, before the CIT(A) challenging the Order on the grounds that, *inter alia*, the Deputy Commissioner erred in (i) not accepting the arm's length price determined by our Company for the aforesaid international transactions; (ii) disallowance of legal and professional fees; and (iii) disallowing brand royalty and technical know-how royalty; (iv) invoking disallowance of commission paid on overseas sales on account of non-withholding of taxes; (v) invoking disallowance of amortization of loose tools; (vi) assessing the income of our Company as against the returned income.

Further, the AEs have made applications on May 17, 2018, respectively, to initiate the MAP under the DTA Treaty, in relation to the aforesaid international transactions, and is currently pending before the authorities. The aggregate tax liability of our Company in this matter is ₹ 385.25 million. The matter is currently pending.

13. Our Company received a show cause notice dated August 9, 2016, from the TPO,for the assessment year 2013-14, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, among others, (i) sale of finished goods; (ii) payment of professional fees; and (iii) payment of brand royalty, were at arm's length price, pursuant to which an order dated October 13, 2016 ("**Transfer Pricing Order**") was issued, making a transfer pricing adjustment to the amounts for such international transactions undertaken by our Company with its AEs, resulting in an increase in the income of our Company. Further, the AO passed an assessment order dated January 13, 2017 ("**Order**"), in relation to the alleged variation of income due to, among others, (a) transfer pricing adjustment in connection with the aforesaid transactions; (b) disallowance of brand royalty paid to the AEs; (c) disallowance of amortization of loose tools; (d) disallowance of amortization claimed on lease charges on lease hold property; (e) disallowance of legal and professional fees paid to the AEs; and (f) disallowance of commissions paid on overseas sales without deduction of tax at source.

Our Company has filed an appeal dated February 15, 2017, before the CIT(A) challenging the Order on the grounds that, *inter alia*, the AO erred in (i) not accepting the arms' length price of the international

transactions; (ii) disallowance of legal and professional fees; (iii) invoking disallowance of amortization claimed on loose tools; (iv) disallowing brand royalty and technical know-how royalty; (iv) invoking disallowance of commission paid on overseas sales on account of non-withholding of taxes; and (vi) assessing the income of our Company as against the returned income. Pursuant to its order dated April 27, 2018 ("**CIT(A) Order**"), the CIT(A) partly allowed the appeal. Aggrieved by the CIT(A) Order, our Company filed an appeal before the ITAT, Pune dated July 26, 2018 challenging the CIT(A) Order on grounds that the CIT(A) had erred: (i) not accepting the arm's length price determined by our company for the aforesaid international transactions; (ii) in upholding the additions to the total income of our Company on account of the transfer pricing adjustments.

Further, the AEs have made applications on May 17, 2018, respectively, to initiate the MAP under the DTA Treaty, in relation to the aforesaid international transactions, and is currently pending before the authorities. The aggregate tax liability of our Company in this matter is ₹ 189.71 million. The matter is currently pending.

14. Our Company received a show cause notice dated December 8, 2015 from the TPO, for the assessment year 2012-13, disputing the approach adopted by our Company to conclude that certain international transactions entered into by our Company with its AEs, relating to, among others, (i) sale of finished goods; (ii) payment of management/ professional fees; and (iii) payment of brand royalty, were at arm's length price, pursuant to which an order dated January 21, 2016 ("**Transfer Pricing Order**") was issued, making a transfer pricing adjustment to the amounts for such international transactions undertaken by our Company with its AEs, resulting in an increase in the income of our Company. Further, the Deputy Commissioner passed an assessment order dated May 20, 2016 ("**Order**"), in relation to the alleged variation of income due to, among others, (a) transfer pricing adjustment in connection with the aforesaid transactions; (b) invoking disallowance of claim of amortization of lease charges on lease hold property; (c) disallowance of legal and professional fees paid to the AEs; (d) disallowance of commissions paid on overseas sales without deduction of tax at source; and (e) disallowance of claim of amortization of lease charges on lease hold property.

Our Company filed an appeal dated June 24, 2016, before the CIT(A) challenging the Order on the grounds that, *inter alia*, the Deputy Commissioner erred in (i) not accepting the arms' length price determined by our Company for the international transactions; (ii) disallowance of legal and professional fees considering the same as not being wholly for the business of our Company; and (iii) disallowing brand royalty and technical know-how royalty; (iv) disallowance of amortization of loose tools; (v) invoking disallowance of commission paid on overseas sales on account of non-withholding of taxes; (vi) assessing the income of our Company as against the returned income. Pursuant to its order dated April 27, 2018 ("**CIT(A) Order**"), the CIT(A) partly allowed the appeal. Aggrieved by the CIT(A) Order, the Deputy Commissioner, filed an appeal with the ITAT Pune dated August 14, 2018, challenging the CIT(A) Order on grounds, *inter alia*, (i) not accepting the arm's length price determined by our company for the aforesaid international transactions; (ii) upholding the additions to the total income of our Company on account of the tax disallowances.

Further, the AEs have made an application on May 17, 2018, respectively, to initiate the MAP under the DTA Treaty, in relation to the aforesaid international transactions, and is currently pending before the authorities. The aggregate tax liability of our Company in this matter is ₹ 225.25 million. The matter is currently pending.

15. A transfer pricing order dated January 27, 2015 ("**Transfer Pricing Order**") and a draft assessment order dated March 17, 2015 ("**Order**") were passed against our Company by the TPO and AO, respectively, stating that a transfer pricing adjustment was required to be made to the total income declared by the Company for the assessment year 2011-12, to the arm's length price of the international transactions reported by our Company, relating to, among others, (i) payment of management fees; and (ii) payment of brand royalty and corporate tax additions; (iii) disallowance of royalty paid to the AEs (iv) disallowance of legal and professional fees paid to the AEs; (v) disallowance of amortization of loose tools and (vi) disallowance of commissions paid on overseas sales without deduction of tax. Our Company filed objections to the Order on March 25, 2015, before the Dispute Resolution Panel ("**DRP**") on the grounds that, *inter alia*, the TPO and AO erred in (i) not accepting the arm's length price determined by our company for the aforesaid international transactions; (ii) disallowing legal and professional fees; (iii) disallowing brand royalty and technical know-how royalty; (iv) invoking disallowance of commission paid on overseas sales on account of non-withholding of taxes; (v) invoking disallowance of amortization of loose tools. The DRP, by way of its direction dated December 31, 2015

("**Direction**"), upheld the Transfer Pricing Order, however, the disallowance made by AO for amortization of loose tools and commission on sale was deleted, and the Direction was given effect to by the AO through an order dated February 25, 2016 ("**Order II**").

Our Company filed an appeal dated April 27, 2016, before the ITAT challenging the Direction and Order II. The Deputy Commissioner of Income Tax, Pune ("**DCIT - Pune**"), also filed an appeal dated April 22, 2016, with the ITAT, on the grounds that, the DRP and the AO had erred in: (i) not accepting the arm's length price determined by our company for the aforesaid international transactions; (ii) addition on certain accounts and disallowances made. The ITAT issued an order dated September 2, 2021, partially allowing the appeal made by our Company and dismissed the appeal made by the DCIT - Pune. Aggrieved by such decision, the Principal Commissioner of Income Tax, Pune filed an appeal dated May 31, 2022 before the High Court of Bombay ("**Appeal**").

Further, the IT Department issued a final assessment order dated March 22, 2024 ("**Order-II**") in relation to the alleged variation of income due to transfer pricing adjustment in connection with the aforesaid international transactions. Our Company filed a writ petition ("**Writ Petition**") challenging the Order-II, pursuant to which the High Court of Bombay through its order dated May 7, 2024, (i) quashed the Order-II; (ii) accepted the return of income filed by our Company for AY 2011-12; and (iii) disposed off the Writ Petition. Although the Writ Petition has been disposed off, and the Order II have been quashed by the High Court of Bombay, the Appeal is pending for admission. The aggregate tax liability of our Company in this matter is ₹ 105.19. The matter is currently pending.

II. Litigation involving our Subsidiary

A. Litigation against our Subsidiary

a) Criminal proceedings

Nil

b) Actions taken by regulatory and statutory authorities

Nil

c) Material civil proceedings

Nil

B. Litigation by our Subsidiary

a) Criminal proceedings

Nil

b) Material civil proceedings

Nil

C. Tax proceedings involving our Subsidiary

Particulars	Number of cases	Aggregate amount involved* (*in ₹ million*)
Direct tax	Nil	Nil
Indirect tax	1	0.27
Total	**1**	**0.27**

* *To the extent quantifiable, and inclusive of accrued interest, to the extent quantified in the relevant demand notices.*

III. Litigation involving our Directors

A. Litigation against our Directors

a) Criminal proceedings

Nil

b) Actions taken by regulatory and statutory authorities

Nil

c) Material civil proceedings

Nil

B. Litigation by our Directors

a) Criminal proceedings

Nil

b) Material civil proceedings

Nil

C. Tax proceedings involving our Directors

Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	**Nil**	**Nil**

IV. Litigation involving our Promoters

A. Litigation against our Promoters

a) Criminal proceedings

Nil

b) Actions taken by regulatory and statutory authorities

Nil

c) Material civil proceedings

Nil

d) Disciplinary actions including penalties imposed by SEBI or stock exchanges in the last five financial years preceding the date of this Red Herring Prospectus including outstanding actions

Nil

B. Litigation by our Promoters

a) Criminal proceedings

Nil

b) Material civil proceedings

Nil

C. Tax proceedings involving our Promoters

Particulars	Number of cases	Aggregate amount involved* (*in ₹ million*)
Direct tax	Nil	Nil

Particulars	Number of cases	Aggregate amount involved* (*in ₹ million*)
Indirect tax	12	137.41
Total	**12**	**137.41**

** To the extent quantifiable, and inclusive of accrued interest, to the extent quantified in the relevant demand notices.*

V. Outstanding dues to creditors

In accordance with the Materiality Policy, a creditor to whom ₹ 178.27 million, which is 5% of the total trade payables of our Company as at the end of the latest period of the Restated Consolidated Financial Information, is due by the Company, have been considered as 'material' creditors.

Based on the above, the details of outstanding dues (trade payables) owed to micro and small enterprises, material creditors and other creditors, as at September 30, 2024, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)*
Material creditors	2	370.76
Micro and small enterprises	112	405.67
Other creditors	516	2,788.93
Total	**630**	**3,565.36**

** To the extent quantifiable*

The details pertaining to outstanding over dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at https://www.carraroindia.com/investors/investor-information/other-documents.

VI. Material developments

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments after September 30, 2024 that may affect our future results of operations***" on page 386, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, licenses, registrations and permits issued by relevant governmental and regulatory authorities under applicable rules and regulations. Set out below is an indicative list of such consents, licenses, registrations, permissions, and approvals obtained by our Company, which are considered material and necessary for the purposes of undertaking its businesses and operations ("**Material Approvals**"). In addition, certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and we have either already made applications to the appropriate authorities for renewal of such Material Approvals in accordance with applicable law and requirements and procedure. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus.*

*For further details in connection with the regulatory and legal framework within which we operate, see the section titled "**Key Regulations and Policies in India**" beginning on page* 239*. For details of risks associated with not obtaining or delay in obtaining the requisite approvals, please see the section titled "**Risk Factors – We require certain approvals and licenses in the ordinary course of business and are subject to costs, risks and uncertainties, including those associated with laws and regulations in domestic and foreign jurisdictions in which we operate, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations**" on page 52.*

I. General Details

A. *Incorporation details of our Company*

For details of the incorporation details of our Company, see "***History and Certain Corporate Matters***" on page 246.

B. *Offer related approvals*

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer – Corporate Approvals***" on page 402.

C. *Tax related approvals*

(i) The permanent account number of our Company is AAACC5292M.

(ii) The tax deduction account number of our Company is PNEC09276B.

(iii) Certificate of registration issued under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, as amended.

(iv) Certificate of registration under the Central Goods and Services Tax Act, 2017.

(v) Authorized Economic Operator Certificate issued by the Authorized Economic Operator Programme Manager, Directorate of International Customs, Central Board of Indirect Taxes and Customs.

D. *Foreign trade related approvals*

(i) The importer exporter code for our Company issued by the Office of the Joint Director General of Foreign Trade, Pune, Ministry of Commerce and Industry, Government of India on January 5, 1998 is 0597056757.

E. *Labour and employment related approvals*

(i) Certificate of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

(ii) Certificate of registration under the Employees' State Insurance Act, 1948, as amended, as amended.

(iii) Registrations under the Contract Labour (Regulation and Abolition) Act, 1970.

II. Material Approvals obtained in relation to the business and operations of our Company

As on the date of this Red Herring Prospectus, we have two manufacturing units. We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business and operations.

An indicative list of the Material Approvals by us for the business and operation of our manufacturing units is provided below:

1. ***Factory license****:* We are required to obtain factory licenses from the Directorate of Industrial Safety and Health (Labour Department) under the Factories Act, 1948 and the rules notified thereunder, in relation to our manufacturing units.

2. ***Environment related approvals:*** We are required to consents to operate and establish under the Air Act and Water Act, and authorisation for managing hazardous and other wastes under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 in respect of our manufacturing units.

3. ***No objection certificates from fire department:*** We are required to obtain a no objection certificate ("**NOC**") from the Maharashtra Industrial Development Corporation under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, to continue operations of our manufacturing units.

4. ***Storage of petroleum:*** We are also required to obtain licenses, approvals and authorizations, wherever applicable for importation and storage of petroleum issued by the Petroleum and Explosives Safety Organization, under the Explosives Act, 1884, as amended, in relation to our manufacturing units.

5. ***Operations of generator sets****:* We are required to obtain charging permissions from the Office of the Electrical Inspector, Department of Industries, Energy and Labour under the Electricity Act, 2003 read with the Central Electricity Authority Regulations, 2010, as amended in relation to the operations of the diesel generator sets at our manufacturing units.

6. We are also required to obtain certificates of verification under the Legal Metrology Act, 2009 read with the Maharashtra Legal Metrology (Enforcement) Rules, 2011 in relation to the manufacturing of gears at our units.

III. Material Approvals pending in respect of our Company

A. Material approvals or renewals for which applications are currently pending before relevant authorities

1. Application dated November 6, 2024 for change in name to 'Carraro India Limited' pursuant to conversion of our Company submitted to the Regional Provident Fund Commissioner, Pune under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

2. Application dated November 8, 2024 for change in name to 'Carraro India Limited' pursuant to conversion of our Company submitted to the Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948, as amended.

3. Application dated November 25, 2024 for change in name to 'Carraro India Limited' pursuant to conversion of our Company submitted to Maharashtra Pollution Control Board, for amendment in consent to operate under the Air Act and Water Act, and authorisation for managing hazardous and other wastes under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 in respect of our manufacturing units.

4. Application dated November 26, 2024 for change in name to 'Carraro India Limited' pursuant to conversion of our Company submitted to the Inspector of Legal Metrology, under the Legal Metrology Act, 2009 & the Maharashtra Legal Metrology (Enforcement) Rules, 2011, as amended.

5. Application dated November 29, 2024 for change in name to 'Carraro India Limited' pursuant to conversion of our Company submitted to the Joint Director, Industrial Safety and Health, Pune under the Factories Act, 1948, as amended.

B. Material approvals expired and renewal yet to be applied for

Nil

C. Material approvals required but not obtained or applied for

Nil

IV. Intellectual Property

Nil

For details in relation to our intellectual property, see "***Our Business – Description of Our Business and Operations – Intellectual Property***" on page 229.

Pursuant to the conversion of our Company to a public limited company and the consequent change in the name of our Company, as mentioned in "***History and Certain Corporate Matters***" on page 246, we have filed and will file certain applications / intimations for issuance of fresh approvals or to take on record the change of name in various licenses obtained from regulatory or statutory authorities under the applicable laws, as applicable.

OUR GROUP COMPANIES

For the purpose of disclosure in this Red Herring Prospectus, the following shall be considered as Group Companies of our Company: (i) such companies (other than our Corporate Promoters and Subsidiary) with which there were related party transactions, during the period for which financial information is disclosed in this Red Herring Prospectus, as covered under Ind AS 24; and (ii) any other companies as may be considered material by our Board of Directors.

In relation to (ii) above, in accordance with our Materiality Policy, for the purposes of disclosure in this Red Herring Prospectus, our Company has considered as material, the companies (other than our Corporate Promoters and Subsidiary), that are a part of the Promoter Group with which our Company has had transactions in the most recent financial year or the relevant stub period for which financial information is disclosed in this Red Herring Prospectus, as applicable, which individually or in the aggregate, exceed 10% of the total restated revenue from operations of our Company for the most recent financial year or the stub period, as the case may be, as per the Restated Consolidated Financial Information.

Based on the parameters mentioned above, as on the date of this Red Herring Prospectus, we have identified the following as Group Companies, the details of which are set forth below:

Sr. No.	Group Companies	Registered office
1.	Carraro Drive Tech Italia S.p.A.	Via Olmo 37, 35011 Campodarsego (PD) Italy
2.	Carraro China Drive Systems Co. Limited	No.5 Ronghai 4th Road, Jihongtan Subdstrict, Chengyang District, Quingdao, Shandong Province, China
3.	Carraro Argentina S.A.	Valentin Gómez 577, Haedo, Moron, Provincia De Buenos Aires, Argentina
4.	Carraro Finance S.A.	11 Rue Beaumont, L-1219 Luxembourg
5.	Carraro Lux-Tech-R&D Center S.à.r.l	20 Rue du Commerce, 3895 Foetz, Grand Duchy of Luxembourg
6.	Siap S.p.A.	Via Monfalcone 4, 33085 Maniago (PN) Italy

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the top five Group Companies (determined on the basis of their market capitalization or annual turnover, as applicable), based on their respective audited financial statements for the preceding three years shall be hosted on their respective websites or on the website of our Company, as indicated below:

S. No.	Group Companies	Website
1.	Carraro Drive Tech Italia S.p.A.	https://www.carraroindia.com/investors/financial-information/top-five-group-companies
2.	Siap S.p.A.	https://www.siapgears.com/en
3.	Carraro China Drive Systems Co. Ltd.	https://www.carraroindia.com/investors/financial-information/top-five-group-companies
4.	Carraro Argentina S.A.	https://www.carraroindia.com/investors/financial-information/top-five-group-companies
5.	Carraro Finance S.A.	https://www.carrarofinance.lu/en/financial-statements

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision. Such information provided on the website given above does not constitute a part of this Red Herring Prospectus.

Common pursuits

Except for Siap S.p.A., Carraro Drive Tech Italia S.p.A., Carraro China Drive Systems Co. Ltd, Carraro Lux-Tech-R&D Center S.à.r.l and Carraro Argentina S.A., which are engaged in businesses which are similar to that of our Company, none of our Group Companies are involved in any common pursuits with our Company. We shall adopt necessary procedures and practices as permitted by law to address any situations that may lead to conflict, as and when they may arise. For further details, see "***Risk Factors – We and certain of our Group Companies have common pursuits as they are engaged in similar business or industry segments and may compete with us***" on page 30.

Business interests

Our Group Companies do not have any business interest in our Company except as otherwise disclosed in the "***Summary of the Offer Document – Summary of related party transactions***" and "***Restated Consolidated Financial Information – Note 38 – Related Party Disclosures***", on pages 16 and 326, respectively.

Related business transactions with our Group Companies and their significance on the financial performance of our Company

Except as set forth in "***Restated Consolidated Financial Information***" beginning on page 279, there are no related business transactions between our Group Companies and our Company. Further, our Company has entered into certain material agreements with entities forming part of the Carraro Group in relation to usage of intellectual property, manufacturing and financial services, etc. For details in relation to such material agreements, see "***History and Certain Corporate Matters - Details of the shareholder's agreement and other material agreements***" on page 248.

Nature and interests of our Group Companies

As on the date of this Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company.

As on the date of this Red Herring Prospectus, our Group Companies do not have any interest in any property acquired by our Company in the three years preceding the date of filing this Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Red Herring Prospectus.

Our Group Companies do not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building, supply of machinery, etc.

There is no conflict of interest between the lessors of immoveable properties, suppliers of raw materials and third party service providers, which are crucial for the operations of our Company, and our Group Companies.

Litigation

As on the date of this Red Herring Prospectus, there is no pending litigation involving our Group Companies which may have a material impact on our Company.

Other confirmations

None of our Group Companies are listed and have not made any public, rights issue or composite issue (as defined under the SEBI ICDR Regulations) of securities in the preceding three years.

Except for Carraro Finance S.A., which has issued bonds that are listed on Luxembourg Stock Exchange and Mercato Telematico delle Obbligazioni e dei titoli di Stato, none of our Group Companies have issued any debt securities that are listed on any stock exchange in India or abroad.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate approvals

- The Offer has been authorized by a resolution passed by our Board dated August 19, 2024.
- Our Board has taken on record the consent and authorization of the Promoter Selling Shareholder to participate in the Offer for Sale pursuant to its resolution dated August 19, 2024, read with the resolution dated December 16, 2024.
- The Draft Red Herring Prospectus was approved pursuant to a resolution passed by our Board dated August 23, 2024.
- This Red Herring Prospectus was approved pursuant to a resolution passed by our Board dated December 16, 2024.

Approval from the Promoter Selling Shareholder

The Promoter Selling Shareholder has approved and authorized the transfer of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of the Promoter Selling Shareholder	Date of consent letter	Date of board resolution	Maximum number of Offered Shares
Carraro International S.E.	December 16, 2024	July 24, 2024	[●] Equity Shares of face value of ₹ 10 each aggregating up to ₹12,500.00 million

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters, each dated October 24, 2024.

Prohibition by the Securities and Exchange Board of India, Reserve Bank of India or governmental authorities

Our Company, Promoters, members of our Promoter Group, Directors, or persons in control of our Company and Corporate Promoters and the Promoter Selling Shareholder are not prohibited from accessing the capital market under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority or court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of our Promoter Group and the Promoter Selling Shareholder, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, as on the date of this Red Herring Prospectus.

Directors associated with the securities market

Except as disclosed below, none of our Directors are associated with the securities market in any manner. Further, there are no outstanding actions initiated by SEBI against any of our Directors in the five years preceding the date of this Red Herring Prospectus.

Uma Mandavgane, one of our Directors, is associated with a SEBI registered mutual fund, Quantum Asset Management Company Private Limited, as its director.

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of twelve months each);

- our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of twelve months each), with operating profit in each of these preceding three years;

- our Company has a net worth of at least ₹10 million in each of the three preceding full years (of twelve months each), calculated on a restated and consolidated basis; and

- our Company has not changed its name in the last one year, other than deletion of the word "Private" from the name of our Company pursuant to conversion to a public limited company. Our Company has not undertaken any new activity pursuant to such name change.

Set forth below are our Company's net tangible assets, operating profit and net worth, derived from our Restated Consolidated Financial Information included in this Red Herring Prospectus.

(in ₹ million, unless otherwise stated)

	Financial year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Restated net tangible assets	3,255.00	3,024.00	2,759.00
Restated operating profit	1,069.00	854.00	470.00
Average restated operating profit		620	
Net worth	3,698.19	3,373.76	2,925.00

Notes:

1) Restated net tangible assets excludes, right of use assets (related total lease liabilities), intangible assets, and deferred tax assets (net).

2) Restated operating profit excludes other income and finance costs.

3) Net-worth means the aggregate value of the paid-up share capital, retained earnings and capital redemption reserve.

For further details, see "***Financial Information***" beginning on page 279.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Our Company is in compliance with the following conditions specified in Regulation 5 of the SEBI ICDR Regulations:

(a) neither our Company, nor the Promoter Selling Shareholder, our Promoters, the members of our Promoter Group, or our Directors are debarred from accessing the capital markets by SEBI;

(b) none of our Promoters or our Directors are promoters or directors of companies which are debarred from accessing capital markets by SEBI;

(c) none of our Company, nor our Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower;

(d) none of our Individual Promoters and our Directors are Fugitive Economic Offenders;

(e) as on the date of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares.

The Promoter Selling Shareholder confirms that it has held the Offered Shares for a period of at least one year prior to the date of filing of this Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS

OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, BNP PARIBAS AND NUVAMA WEALTH MANAGEMENT LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, BNP PARIBAS AND NUVAMA WEALTH MANAGEMENT LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 23, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. 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 RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholder and the Book Running Lead Managers

Our Company, our Directors, Promoter Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at www.carraroindia.com, would be doing so at his or her own risk.

The Promoter Selling Shareholder, its directors, affiliates, partners, associates and officers, as applicable, accept no responsibility for any statements made or undertakings provided in this Red Herring Prospectus, other than those specifically confirmed or undertaken by the Promoter Selling Shareholder, and only in relation to itself and/or to the Equity Shares offered by the Promoter Selling Shareholder through the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement as will be provided for in the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Promoter Selling Shareholder (with respect to itself and the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, investment managers, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, its Subsidiary, Group Companies, Promoter Selling Shareholder and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiary, Group Companies, Promoter Selling Shareholder and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), NBFC-SI or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, permitted provident funds (subject to applicable law) and permitted pension funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares in the Offer in any jurisdiction, including India.

This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares offered in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations and this Red Herring Prospectus had been filed with the RoC, SEBI and the Stock Exchanges. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or 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.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

Eligibility and transfer restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States to investors in offshore transactions (as defined in Regulation S) in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any offshore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Disclaimer clause of the BSE Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company *vide* its in-principle approval dated October 24, 2024, is as under:

"*BSE Limited ("the Exchange") has given vide its letter dated October 24, 2024, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company 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 for any other reason whatsoever."

Disclaimer clause of the National Stock Exchange of India Limited

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company *vide* its in-principle approval dated October 24, 2024, is as under:

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/4368 dated October 24, 2024, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.***"**

Listing

The Equity Shares proposed to be Allotted pursuant to this Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for the listing and trading of the Equity Shares being issued and sold in the Offer and NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Promoter Selling Shareholder with regard to interest on such refunds as required under the Companies Act, 2013 and any other applicable law will be reimbursed by the Promoter Selling Shareholder as agreed among our Company and the Promoter Selling Shareholder in writing, in proportion to the Offered Shares. Provided that the Promoter Selling Shareholder shall not be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Promoter Selling Shareholder and such liability shall be limited to the extent of its Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate as may be prescribed by the SEBI.

The Promoter Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Promoter Selling Shareholder in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing of: (a) the Promoter Selling Shareholder, each of our Directors, our Company Secretary and Compliance Officer, the legal counsel, the bankers to our Company, lenders to our Company (wherever applicable), industry report provider, Statutory Auditors, independent chartered accountant, the BRLMs, the independent chartered engineer, and Registrar to the Offer have been obtained; and (b) the Syndicate Member, Escrow Collection Bank, Public Offer Account Bank, Sponsor Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act, 2013. Further, such consents obtained under (a) have not been withdrawn up to the date of this Red Herring Prospectus.

Experts to the Offer

Our Company has received written consent dated December 16, 2024 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated December 2, 2024 on our Restated Consolidated Financial Information; and (ii) report dated December 2, 2024 on the statement of possible special tax benefits in respect of the Company included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated December 5, 2024, from J.C. Bhalla & Co., Chartered Accountants, bearing firm registration number 001111N, as the independent chartered accountant to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received a written consent dated December 5, 2024, from Avinash Pawar, Chartered Engineer, to include his name as an "expert" as defined under section 2(38) and 26(5) of the Companies Act, 2013 to the extent and in his capacity as the independent chartered engineer and in respect of the certificate issued by him and included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue or any rights issue to the public, during the five years preceding the date of this Red Herring Prospectus.

Commission or brokerage on previous issues of the Equity Shares in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares during the five years preceding the date of this Red Herring Prospectus.

Particulars regarding capital issues in the preceding three years by our Company, our listed group companies, Subsidiary or associates of our Company

Our Company has not made any capital issue during the three years preceding the date of this Red Herring Prospectus. As on the date of this Red Herring Prospectus, none of our Group Companies, Subsidiary, or associates are listed.

Performance vis-à-vis objects – public/rights issue of our Company

There have been no public issues or any rights issues to the public during the five years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects - public/rights issue of any listed subsidiary/Promoters of our Company

As on the date of this Red Herring Prospectus, none of our Promoters or our Subsidiary are listed on any stock exchange.

Price information of past issues handled by the Book Running Lead Managers

Axis Capital Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Zinka Logistics Solutions Limited[%(1)]	11,147.22	273.00	22-Nov-24	280.90	-	-	-
2.	Niva Bupa Health Insurance Company Limited[(2)]	22,000.00	74.00	14-Nov-24	78.14	-	-	-
3.	Waaree Energies Limited[(2)]	43,214.40	1,503.00	28-Oct-24	2,500.00	+68.05%, [-0.59%]	-	-
4.	Northern Arc Capital Limited[&(2)]	7,770.00	263.00	24-Sep-24	350.00	-7.15%, [-5.80%]	-	-
5.	Bajaj Housing Finance Limited[(2)]	65,600.00	70.00	16-Sep-24	150.00	+99.86%, [-1.29%]	-	-
6.	Baazar Style Retail Limited[$(1)]	8,346.75	389.00	6-Sep-24	389.00	-1.32%, [+0.62%]	-16.11%,[-0.28%]	-
7.	Interarch Building Products Limited[!(2)]	6,002.87	900.00	26-Aug-24	1,299.00	+41.04%, [+3.72%]	+59.33%,[-4.41%]	-
8.	Ola Electric Mobility Limited[(2)#]	61,455.59	76.00	9-Aug-24	91.20	+44.17%, [+1.99%]	-2.11%, [+0.48%]	-
9.	Akums Drugs and Pharmaceuticals Limited[@ (2)]	18,567.37	679.00	6-Aug-24	725.00	+32.10%, [+5.03%]	+23.99%, [+0.89%]	-
10.	Emcure Pharmaceuticals Limited[^(2)]	19,520.27	1,008.00	10-Jul-24	1,325.05	+27.94%, [-0.85%]	+32.08%, [+1.94%]	-

Source: www.nseindia.com and www.bseindia.com
(1) BSE as designated stock exchange
(2) NSE as designated stock exchange
% Offer price was ₹ 248.00 per equity share to eligible employees
& Offer price was ₹ 239.00 per equity share to eligible employees
$ Offer price was ₹ 354.00 per equity share to eligible employees
! Offer price was ₹ 815.00 per equity share to eligible employees
Offer price was ₹ 69.00 per equity share to eligible employees
@ Offer price was ₹ 615.00 per equity share to eligible employees
^ Offer price was ₹ 918.00 per equity share to eligible employees

Notes:
a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
c. Price on NSE or BSE is considered for all of the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2024-2025*	16	366,789.53	-	-	2	6	5	1	-	-	-	3	-	1
2023-2024	18	218,638.22	-	-	4	2	6	6	-	-	3	7	4	4
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1

** The information is as on the date of the offer document.*
The information for each of the financial years is based on issues listed during such financial year.
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

BNP Paribas

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BNP Paribas.

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	DOMS Industries Limited	12,000.00	790.00(1)	December 20, 2023	1,400.00	+80.59%, [+0.97%]	+82.13%, [+3.18%]	+143.28%, [+9.20%]
2.	Fedbank Financial Services Limited	10,922.64	140.00(2)	November 30,2023	138.00	-2.75%. [7.94%]	-12.39%, [10.26%]	-13.43%, [13.90%]
3.	TVS Supply Chain Solutions	8,800.00	197.00	August 23, 2023	207.05	8.71%, [1.53%]	6.57%, [1.29%]	-7.46%, [13.35%]

Source: www.nseindia.com; www.bseindia.com
Notes: Benchmark Index taken as NIFTY 50 for Fedbank Financial Services Limited and TVS Supply Chain Solutions and BSE SENSEX for others.
(1) A discount of Rs. 75 per equity share was offered to eligible employees bidding in the employee reservation portion.
(2) A discount of Rs. 10 per equity share was offered to eligible employees bidding in the employee reservation portion.

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BNP Paribas.*

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2024-25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	3	31,722.64	-	-	1	1	-	1	-	-	2	1	-	-
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes: Date of listing used to determine which financial year that particular issue falls.

Nuvama Wealth Management Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Nuvama Wealth Management Limited.

Sr. No.	Issue name**	Issue size# (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Suraksha Diagnostic Limited	8,462.49	441.00	December 6, 2024	437.00	NA	NA	NA
2.	NTPC Green Energy Limited	100,000.00	108.00##	November 27, 2024	111.50	NA	NA	NA
3.	Acme Solar Holdings Limited	29,000.00	289.00^	November 13, 2024	251.00	-6.02% [4.20%]	NA	NA
4.	Afcons Infrastructure Limited	54,300.00	463.00$$	November 4, 2024	426.00	6.56% [1.92%]	NA	NA
5.	P N Gadgil Jewellers Limited	11,000.00	480.00	September 17, 2024	830.00	61.14% [-1.76%]	53.04% [-2.56%]	NA
6.	Allied Blenders and Distillers Limited	15,000.00	281.00$	July 02, 2024	320.00	9.68% [3.43%]	21.28% [8.52%]	NA
7.	Go Digit General Insurance Limited	26,146.46	272.00	May 23, 2024	286.00	22.83% [2.32%]	30.79% [7.54%]	16.25% [2.12%]
8.	Popular Vehicles and Services Limited	6,015.54	295.00^^	March 19, 2024	289.20	-15.59% [1.51%]	-13.67% [7.55%]	-23.43%[16.22%]
9.	Capital Small Finance Bank Limited	5,230.70	468.00	February 14, 2024	435.00	-25.25% [1.77%]	-26.09% [1.33%]	-31.44%[10.98%]

Sr. No.	Issue name**	Issue size# (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
10.	Mediassist Healthcare Services Limited	11,715.77	418.00	January 23, 2024	465.00	22.32% [3.20%]	15.66% [3.86%]	33.86% [14.54%]

Source: www.nseindia.com and www.bseindia.com

##NTPC Green Energy Limited– A discount of ₹ 5 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹108 per equity share
^Acme Solar Holdings Limited– A discount of ₹27 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹289 per equity share
$$ Afcons Infrastructure Limited – A discount of ₹44 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹463 per equity share
$Allied Blenders and Distillers Limited- A discount of ₹ 26 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹281 per equity share
^^Popular Vehicles and Services Limited- A discount of ₹ 28 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹295 per equity share
#As per Prospectus
***Pursuant to order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited ("Edelweiss") has demerged and now transferred to Nuvama Wealth Management Limited ("Nuvama") and therefore the said merchant banking business is part of Nuvama.*

Notes
1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
4. *Designated Stock Exchange as disclosed by the respective issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Nuvama Wealth Management Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)#	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Less than 25%
2024-25*	7	243,908.95	-	-	1	1	-	3	-	-	-	-	-	1
2023-24	9	68,029.67	-	1	1	1	1	5	-	1	3	1	1	3
2022-23	3	28,334.49	-	1	-	-	1	1	-	1	1	-	-	1

The information is as on the date of the document
1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3. *Designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

**For the financial year 2024-25, 5 issues have completed 30 calendar days, 3 issues have completed 90 calendar days and 1 issue has completed 180 calendar days*
.#As per the prospectus

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Axis Capital Limited	http://www.axiscapital.co.in
2.	BNP Paribas	www.bnpparibas.co.in
3.	Nuvama Wealth Management Limited	www.nuvama.com

Stock market data of the Equity Shares

This being the initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below. Our Company, the Promoter Selling Shareholder, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, address of Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. For Offer-related grievances, investors may contact the BRLMs, details of which are given in "***General Information – Book Running Lead Managers***" on page 84.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

SEBI ICDR Master Circular has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders

for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/withdrawn/deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original Bid Amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, *i.e.*, the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non–Allotted/partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSBs in case of ASBA bidders for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has obtained the SEBI SCORES platform and shall comply with the SEBI circular no. (CIR/OIAE/1/2013) dated April 17, 2013 read with SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee to resolve the grievances of the security holders of our Company. For details. see "***Our Management – Stakeholders' Relationship Committee***" on page 264.

Our Company has appointed Nakul Shivaji Patil, as the Company Secretary and Compliance Officer of our Company. For details, see "***General Information – Company Secretary and Compliance Officer***" on page 84.

The Promoter Selling Shareholder has authorised the Company Secretary and Compliance Officer, and the Registrar to the Offer to deal with and redress, on its behalf any investor grievances received in the Offer in relation to its Offered Shares.

Our Company has not received any investor grievances during the three years preceding the date of this Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by Securities and Exchange Board of India

Our Company has not sought any exemption from complying with any provisions of securities laws as on the date of this Red Herring Prospectus.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer are and shall be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association, the Articles of Association, SEBI Listing Regulations, the terms of the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN, Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, transfer of securities and listing and trading of securities, offered from time to time, by SEBI, Government of India, the Stock Exchanges, the RoC, the Reserve Bank of India, and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities while granting its approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Promoter Selling Shareholder.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer will be subject to the provisions of the Companies Act, 2013, our Memorandum of Association and our Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment as per the applicable law. For further details, see "***Main Provisions of the Articles of Association***" beginning on page 448.

Mode of payment of dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, our Memorandum of Association and our Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect or any other applicable law. Any dividends declared, after the date of Allotment in the Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" beginning on pages 278 and 448, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹10 each and the Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in accordance with applicable laws and, in consultation with the BRLMs, and published by our Company in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all editions of Loksatta (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, India, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for our Equity Shares.

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 Shareholder will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting in accordance with the provisions of the Companies Act, 2013;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" beginning on page 448.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated April 15, 2024, among NSDL, our Company and the Registrar to the Offer.
- Tripartite agreement dated August 14, 2024, among CDSL, our Company and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Share, subject to a minimum Allotment of [●] Equity Shares of face value of ₹ 10 each. For the method of Basis of Allotment, see "***Offer Procedure***" beginning on page 426.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all

the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/Offer Period

BID/OFFER OPENS ON*	Friday, December 20, 2024
BID/OFFER CLOSES ON#	Tuesday, December 24, 2024

* *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors.*

\# *UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about Thursday, December 26, 2024
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	On or about Thursday, December 26, 2024
CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES	On or about Friday, December 27, 2024
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	On or about Monday, December 30, 2024

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher in accordance with applicable law. For (i) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock,; (ii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iii) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking, in accordance with applicable law. The Bidders shall be compensated in the manner specified in

the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/ unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The BRLMs shall, in their sole discretion, identify and fix liability on such intermediary or entity responsible for such delay in unblocking.

The processing fees for applications made by the 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 ICDR Master Circular.

The above timetable is indicative and does not constitute any obligation on our Company or the Promoter Selling Shareholder or the BRLMs.

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 Exchanges are taken within three Working Days of Bid/ Offer Closing Date or such time as may be prescribed by SEBI, with reasonable support and co-operation of the Promoter Selling Shareholder, as may be required in respect of its Offered Shares, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirms that it shall extend commercially reasonable co-operation to our Company, as may be required solely in relation to its Offered Shares, in accordance with applicable law, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such time as prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid/ Offer Closing Date or such time prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/ Offer Closing Date	
Submission of electronic applications (online ASBA through 3 in 1 accounts)	Only between 10.00 a.m. and 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹ 0.50 million)	Only between 10.00 a.m. and 4.00 p.m. IST
Submission of electronic applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and 1.00 p.m. IST
Submission of physical applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹ 0.50 million)	Only between 10.00 a.m. and 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward revision of Bids by QIBs and Non-Institutional Investors[#]	Only between 10.00 a.m. on the Bid/ Offer Opening Date and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/ Offer Opening Date and up to 5.00 p.m. IST on Bid/ Offer Closing Date

[#]*QIBs and Non-Institutional Investors could neither revise their Bids downwards nor cancel/ withdraw their Bids.*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors; and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer 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/Offer Opening Date till the Bid/Offer Closing Date by obtaining such information 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 Registrar to the Offer on a daily basis.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and 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.

To avoid duplication, the facility of re-initiation provided to Members of the Syndicate shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date, in any case, no later than 12.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period and shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 p.m. on the Bid/Offer Closing Date after which the Stock Exchange(s) shall send the Bid information to the Registrar to the Offer for further processing. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, *i.e.*, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Member and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Promoter Selling Shareholder, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, in the event our Company does not receive minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid/ Offer Closing

Date, or if the subscription level falls below the thresholds mentioned above after the Bid/ Offer Closing Date, on account of withdrawal of applications; or after technical rejections or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered pursuant to the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with the applicable laws.

If there is a delay beyond two Working days, our Company, every Director of our Company, who is an officer in default, and the Promoter Selling Shareholder, to the extent applicable, shall pay interest at the rate of 15% per annum, in accordance with the SEBI ICDR Master Circular and the SEBI ICDR Regulations. No liability to make any payment of interest shall accrue to the Promoter Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is solely attributable to the Promoter Selling Shareholder.

The Promoter Selling Shareholder shall reimburse, in proportion to its Offered Shares, any expenses and interest incurred by our Company on behalf of the Promoter Selling Shareholder, including for any delays in making refunds as required under the Companies Act, 2013 and any other applicable law, provided that the Promoter Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Promoter Selling Shareholder.

Undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Promoter Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New financial instruments

Our Company is not issuing any new financial instruments through the Offer.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding of our Company, lock-in of our Promoter's contribution and Anchor Investor lock-in in the Offer, as detailed in "***Capital Structure – Lock-in Requirement - Details of Promoters' Contribution and lock-in***" beginning on page 100 and except as provided in our Articles of Association as detailed in "***Main Provisions of the Articles of Association***" beginning on page 448, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Offer, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the BRLMs withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law. 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.

OFFER STRUCTURE

The Offer is of [●] Equity Shares bearing face value of ₹ 10 each, for cash at a price of ₹ [●] per Equity Share aggregating up to ₹12,500.00 million by the Promoter Selling Shareholder. The Offer will constitute [●]% of the post-Offer paid-up equity share capital of the Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 6(1) and Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs[(1)]	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment or allocation[*(2)]	Not more than [●] Equity Shares of face value of ₹ 10 each	Not less than [●] Equity Shares of face value of ₹ 10 each available for allocation or Offer less allocation to QIB Bidders and RIIs	Not less than [●] Equity Shares of face value of ₹ 10 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment or allocation	Not more than 50% of the Offer shall be available for allocation to QIB Bidders. However, 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 Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation. One-third of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹ 1.00 million	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation
Basis of Allotment if respective category is oversubscribed[*]	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares of face value of ₹ 10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares of face value of ₹ 10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above; and (c) up to 60% of the QIB Portion (of up to [●] Equity Shares of face value of ₹ 10 each) may be allocated on a discretionary basis to Anchor Investors	The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations	The Allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "***Offer Procedure***" beginning on page 426
Mode of Bidding[^]	ASBA only (excluding UPI Mechanism) (except in case of Anchor Investors)	ASBA only (including the UPI Mechanism), to the extent of Bids up to ₹ 0.50 million	ASBA only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each such that the Bid Amount exceeds ₹ 0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each such that the Bid Amount exceeds ₹ 0.20 million	[●] Equity Shares and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each not exceeding the size of the Offer (excluding	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each not exceeding the size of the Offer (excluding	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each so that the Bid

Particulars	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
	the Anchor Portion), subject to applicable limits	the QIB Portion), subject to applicable limits.	Amount does not exceed ₹ 0.20 million
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter		
Allotment Lot	[●] Equity Shares of face value of ₹ 10 each and in multiples of one Equity Share of face value of ₹ 10 each thereafter		
Trading Lot	One Equity Share		
Who can apply[3][4][5][6]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by GoI, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPIs (as defined in the SEBI FPI Regulations) and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors), that is specified in the ASBA Form at the time of submission of the ASBA Form		

**Assuming full subscription in the Offer.*

^SEBI ICDR Master Circular, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

*(1) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company, in consultation with the BRLMs. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net 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 Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than the Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, 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 the Anchor Investors) in proportion to their Bids For further details, see "**Offer Procedure**" beginning on page 426.*

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR

and Regulation 6(1) of the SEBI ICDR Regulations.

(3) In case of joint Bids, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.

*(5) Bids by FPIs with certain structures as described under "**Offer Procedure – Bids by Foreign Portfolio Investors**" on page 432 and having the 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 the same PAN) may be proportionately distributed.*

(6) Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in the Non-Institutional Portion or the Retail 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, subject to applicable laws. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "***Terms of the Offer***" beginning on page 416.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by the SEBI and the UPI Circulars (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)issuance of CAN and allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications. SEBI vide 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, had 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 UPI Bidders 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, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids 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 was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Further, as per the SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II was further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. The SEBI ICDR Master Circular has consolidated and rescinded the aforementioned circulars to the extent they relate to the SEBI ICDR Regulations. Further, the SEBI ICDR Master Circular has introduced certain additional measures for streamlining process for initial public offers and redressing investor grievances.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular and SEBI RTA Master Circular 2024, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company, the Promoter Selling Shareholder, the BRLMs and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with Applicable Laws and does not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus. Further, our Company, the Promoter Selling Shareholder and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. 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 (other than the Anchor Investor Portion). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net 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 Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors (out of which one-third of the portion available to Non-Institutional Investors will be available for allocation to Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a bid size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion). Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer 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 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 spill-over from other categories or a combination of categories.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes on February 13, 2020, and press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, 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.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company has appointed the Sponsor Banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM(s) will be required to compensate the concerned investor.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Further, pursuant to SEBI ICDR Master Circular , all UPI Bidders shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

(i) a syndicate member;

(ii) a stockbroker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); or

(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5.00 p.m. on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the Bid information to the Registrar to the Offer for further processing.

(d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (https://www.bseindia.com) and NSE (https://www.nseindia.com) at least one day prior to the Bid/Offer 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 Offer only through the ASBA process, which shall include the UPI Mechanism in the case of UPI Bidders.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs)

without mentioning the UPI ID are liable to be rejected. UPI Bidders using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Bids by Application Supported by Blocked Amount Bidders

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 UPI Bidders 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.

For all initial public offerings opening on or after September 1, 2022, as specified by SEBI pursuant to the SEBI ICDR Master Circular, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient credit balance such that an amount equivalent to full Bid Amount can be blocked therein, at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs, NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors^^	White

**Excluding the electronic Bid cum Application Form.*

^Electronic Bid cum Application Form will be made available for download on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com).

^^Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to the UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (*i.e.* the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in the SEBI ICDR Master Circular. In accordance with circular issued by NSE having reference no. 25/2022 dated August 3, 2022, and the notice issued by BSE having reference no. 20220803-40

dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5.00 p.m. on the Bid/ Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States to investors in offshore transactions (as defined in Regulation S) in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by the Promoters and the members of the Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Member and the persons related to the Promoters, the members of the Promoter Group, BRLMs and the Syndicate Member.

The BRLMs and the Syndicate Member shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) Mutual Funds sponsored by entities which are associates of the BRLMs;

(ii) insurance companies promoted by entities which are associates of the BRLMs;

(iii) AIFs sponsored by the entities which are associates of the BRLMs;

(iv) FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs; or

(v) pension funds (registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013) sponsored by entities which are associates of the BRLMs.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Our Promoters, except to the extent of the Equity Shares offered by the Promoter Selling Shareholder, and the members of our Promoter Group will not participate in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Non-Resident Indians

Eligible NRIs may obtain copies of the ASBA Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or foreign currency non-resident accounts ("**FCNR Accounts**"), and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise 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. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall 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 Overseas Citizen of India ("**OCI**") put together shall not exceed 10% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

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).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

For details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" beginning on page 446.

Bids by Hindu Undivided Families

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by Foreign Portfolio Investors

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents (Blue in colour).

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with SEBI master circular no. SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the multiple investment managers structure ("**MIM Structure**"), and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- ODI which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the Applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

SEBI VCF Regulations as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a

Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

In terms of Regulation 20(20) of SEBI AIF Regulations, every AIF, manager of the AIF and key management personnel of the manager and the AIF shall exercise specific due diligence, with respect to investors and investments of the AIF, to prevent facilitation of circumvention of such laws, as may be specified by SEBI from time to time. In this regard, SEBI through its circular dated October 8, 2024 mandates that for every scheme of AIFs having an investor, or investors belonging to the same group, who contribute(s) 50% or more to the corpus of the scheme, necessary due diligence as per the implementation standards formulated by Standard Setting Forum for AIFs, shall be carried out prior to availing benefits available to QIBs under SEBI ICDR Regulations and other SEBI regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

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, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by Self Certified Syndicate Banks

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012, and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (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 or health insurer;

(b) 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 health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer 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 (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250,000,000, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250,000,000 (subject to applicable laws) and pension funds with a minimum corpus of ₹250,000,000, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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 reason thereof.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserve 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, in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100,000,000. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100,000,000.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will be completed on the same day.

(e) Our Company may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

  (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million;

  (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and

  (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

(i) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and 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.

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion. For further details, see ***"– Participation by the Promoters and Promoter Group of our Company, BRLMs, the Syndicate Member and their associates and affiliates and the persons related thereto***" above.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the 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 compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account

(*i.e.*, bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;

7. UPI Bidders Bidding using the UPI Mechanism in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5.00 p.m. on the Bid/Offer Closing Date;

10. Ensure that the signature of the first bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

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 in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN entered into the online initial public offerings system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

23. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidder Bidding through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

26. The ASBA Bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs;

27. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Banks issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the UPI Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

29. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

30. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first bidder (in case of joint account) in the Bid cum Application Form;

31. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorise

blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

32. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorized as category II FPI and registered with SEBI for a Bid Amount of less than ₹ 0.20 million would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 0.20 million would be considered under the Non-Institutional Portion for allocation in the Offer; and

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the list available on the website of SEBI and updated from time to time and at such other websites as may be prescribed by SEBI from time to time is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

4. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;

5. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

9. Do not submit the Bid for an amount more than funds available in your ASBA Account;

10. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

11. 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;

12. 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);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

14. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

15. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

16. If you are UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

17. Do not make the Bid cum Application Form using third party bank account or using third party linked

bank account UPI ID;

18. Anchor Investors should not bid through the ASBA process;

19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not submit the GIR number instead of the PAN;

22. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

24. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date (for online applications) and after 12.00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

28. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

30. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;

31. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;

32. Do not Bid if you are an OCB; and

33. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 0.50 million.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI ICDR Master Circular, see "***General Information – Book Running Lead Managers***" on page 84.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information – Company Secretary and Compliance Officer***" on page 84.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI Master Circular 2024 (to the extent applicable) in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by Securities and Exchange Board of India from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the RIIs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors. The allotment to each Non-Institutional Investor shall not be less than the Minimum NII application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares

The allotment of Equity Shares to each RII shall not be less than the minimum bid lot, subject to the availability of shares in RII Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Account

Our Company, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, real time gross settlement ("**RTGS**"), national automated clearing house ("**NACH**") or national electronic fund transfer ("**NEFT**") to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "**Carraro India Ltd - Resident Anchor Collection A/C**"

(b) In case of Non-Resident Anchor Investors: "**Carraro India Ltd - Non Resident Anchor Collection A/C** "

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all editions of Loksatta (a widely circulated Marathi national daily newspaper, Marathi also being the regional language of Maharashtra, India, where our Registered Office is located).

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. 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 ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, before 9.00 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9.00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9.00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement not later than one Working Day after the commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all editions of Loksatta (a widely circulated Marathi national daily newspaper, Marathi also being the regional language of Maharashtra, India, where our Registered Office is located).

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder, severally and not jointly 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 Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the Registrar of Companies, Maharashtra at Pune

Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price but prior to the filing of the Prospectus.

a) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

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:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of our Company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "***Terms of the Offer***" beginning on page 416.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within three Working Days from the Bid/ Offer Closing Date or such other time period as may be prescribed by under applicable law;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made from the date of the Draft Red Herring Prospectus till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, etc.
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders and that they will be considered similar to non-ASBA Applications while finalizing the Basis of Allotment.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder, specifically undertakes and/or confirms the following in respect to itself as a Promoter Selling Shareholder and its Offered Shares:

- that the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- it is the legal and beneficial owner of its Offered Shares with valid and marketable title, and shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- it shall transfer its Offered Shares in an escrow demat account in accordance with the Share Escrow

Agreement;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer;
- its Offered Shares are fully paid; and
- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from the Stock Exchanges in accordance with applicable law.

Utilisation of proceeds from the Offer

Our Company will not directly receive any Offer Proceeds and all the Offer Proceeds will be received by the Promoter Selling Shareholder, in proportion to the Offered Shares sold by it as part of the Offer. For details of the Offered Shares, see "***Other Regulatory and Statutory Disclosures***" beginning on page 402.

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 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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy and Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. FDI in companies in the manufacturing sector is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the Consolidated FDI Policy and the FEMA (Non-debt Instruments) Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. 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 of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

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 Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible Non-resident Indians***" and "***Offer Procedure – Bids by Foreign Portfolio Investors***" on pages 431 and 432, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States to investors in offshore transactions (as defined in Regulation S) in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For further details, see "***Offer Procedure***" beginning on page 426.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to the provisions of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

	PRELIMINARY	
1.	The regulations contained in Table F of Schedule I of the Companies Act, 2013 shall apply to the Company so far as they are not inconsistent with or repugnant to any of the regulations contained in these Articles.	Table F regulations to apply to the extent they are not inconsistent with the Articles
	INTERPRETATION	
2.	In the interpretation of these Articles, the following words and expression shall have the following meanings, unless repugnant to the subject or context hereof:	Interpretation Clause
	"**Act**" means the Companies Act, 2013, to the extent notified, as amended from time to time and includes any re-enactment thereof, with all schedules and tables thereunder, as notified, with effect from the date of such notification in the official Gazette of India including all the rules, notifications, clarifications, orders and circulars issued there under including certain provisions of the Companies Act, 1956 as and where specified.	"Act"
	"**Annual General Meeting**" means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act.	"Annual General Meeting"
	"**Alter**" and "**Alteration**" shall include the making of additions, omission, insertion, deletion and substitutions.	"Alter" or "Alteration"
	"**Articles**" or "**Articles of Association**", means these Articles of Association as originally framed or altered from time to time and includes the memorandum where the context so requires.	"Articles" or "Articles of Association"
	"**Beneficial Owner**" means a Person whose name is recorded as such with a Depository.	"Beneficial Owner"
	"**Bye-Laws**" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.	"Bye-Laws"
	"**Company Secretary**" or "**Secretary**" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act and these Articles;	"Company Secretary" or "Secretary"
	"**Debenture**" includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.	"Debenture"
	"**Depositories Act**" means the Depository Act, 1996 (22 of 1996) including any statutory modification or re-enactment there of including all the rules, notifications, circulars issued thereof and for the time being in force.	"Depositories Act"
	"**Depository**" means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.	"Depository"
	"**Director**" means a director appointed to the Board of the Company in accordance with these Articles, including any independent director, additional director, nominee director and/or alternate director, appointed in accordance with these Articles.	"Director"
	"**Dividend**" includes interim Dividend.	"Dividend"
	"**Document**" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form	"Document"
	"**Employees' Stock Option Plan**" means the employee stock option plan as formulated and unanimously approved by the Board of Directors and shareholders of the Company, applicable inter alia to the employees, the Directors of the Company and its subsidiary companies;	"Employees' Stock Option Plan"
	"**Equity Shares**" means the equity shares of Rs. 10 each, in the issued, subscribed and paid up equity share capital of the Company.	"Equity Shares"
	"**Extra Ordinary General Meeting**" means an extra ordinary general meeting of the Members duly called and constituted in terms of these Articles and the Act, and any adjournments thereof.	"Extra Ordinary General Meeting"
	"**Key Managerial Personnel**", in relation to a company, means— (i) the chief executive officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the chief financial officer;	"Key Managerial Personnel"

	(v) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and (vi) such other officer as may be prescribed under the Act	
	"**Meeting**" or "**General Meeting**" means a meeting of Members.	"Meeting or General Meeting"
	"**Member**", in relation to the Company, means— (i) the subscriber to the Memorandum of Association of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as a member in its Register of Members; (ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members of the Company; (iii) every person holding Shares of the Company and whose name is entered as a Beneficial Owner in the records of the Depository.	"Member"
	"**Memorandum of Association**" means the memorandum of association of the Company (as amended, substituted, replaced from time to time)	"Memorandum of Association"
	"**Month**" means a period of thirty days and a "**Calendar month**" means an English Calendar Month.	"Month" and "Calendar Month"
	"**Officer who is in default**" shall have the same meaning as specified under Section 2 (60) of the Act.	"Officer who is in default"
	"**Ordinary Resolution**" and "**Special Resolution**" shall have the same meaning as specified under Section 114 of the Act.	"Ordinary Resolution" and "Special Resolution"
	"**Person**" includes an individual, an association of persons or body of individual, whether incorporated or not and a firm.	"Person"
	"**Record**" includes the records maintained in the form of books or stored in computer or in such other form or medium as may be determined by Regulations.	"Record"
	"**Register and Index of beneficial owners**" maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purpose of the Act and these Articles.	"Register and Index of beneficial owners"
	"**Register of Members**" means the Register of Member to be kept in pursuance to the provisions of the Act.	"Register of Members"
	"**Registered Office**" means the registered office for the time being of the Company.	"Registered Office"
	"**Seal**" means the Common Seal for the time being of the Company.	"Seal"
	"**SEBI**" means the, Securities and Exchange Board of India.	"SEBI"
	"**Security(ies)**" means the securities as defined in clause (*h*) of section 2 of the Securities Contracts (Regulation) Act, 1956.	"Security(ies)"
	"**Shares**" means the shares of the Company issued from time to time and carrying the rights as set out in these Articles including preference shares and the Equity Shares.	"Shares"
	"**The Board**" or "**The Board of Directors**" "**Board of Directors**" or "**Board**", shall mean the board of Directors of the Company.	"The Board" or "The Board of Directors"
	"**The Company**" or "**This Company**" means **Carraro India Limited**, a company incorporated under the Companies Act, 1956, and having its Registered Office in the State of Maharashtra.	"Carraro India Limited" or "The Company"
	"**Registrar**" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situate.	"Registrar"
	Words importing the masculine gender include the feminine gender.	"Gender"
	Words importing the singular number include the plural number.	"Singular number"
	Subject as aforesaid, any words and expressions defined in the Act as modified up to the date on which these Articles become binding on the Company shall, except where the subject or context otherwise requires, bear the same meaning in these Articles.	"Words and Expressions defined in the Companies Act"
	Word and concepts not defined in these articles shall have the same meaning as defined under Section 2 of the Act and Rules made there under.	"Word to have same meaning as under the Act and Rules"
	"Writing" shall include printing and lithography and any other mode or modes representing or reproducing words in a visible form.	"Writing"
	"Year" means the calendar year and "Financial Year" in relation to the Company means the period starting from 1st day of April and ending on the 31st day of March every year.	"Year" and "Financial year"
3.	The marginal notes hereto shall have no effect on the construction hereof.	"Marginal Notes"
	SHARE CAPITAL	
4.	The authorized share capital of the Company shall be such amount and be divided into such class(es), denomination(s) and number of Shares as may, from time to time, be provided in Clause 5 of the Memorandum of Association, each	Share Capital

	Share with rights, privileges and conditions attached thereto as are provided by these Articles for the time being, and with the power to increase, consolidate, divide, sub-divide, cancel and reduce the share capital of the Company and to convert Shares into stocks and re convert that and to divide the Shares for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with these Articles and to vary, modify, amalgamate or abrogate any such rights, privileges in such manner as may for the time being be provided in these Articles.	
5.	Subject to the provisions of the Act and these Articles, the Shares 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.	Shares under control of Director.
6.	In addition to, and without derogating from the power for that purpose conferred on the Directors under these Articles, the Company in a General Meeting may, subject to the compliance of Sections 42 and 62 of the Act as the case may be and Rules notified there under, determine to issue further Shares out of the authorized but unissued share capital of the Company and may determine that any Shares shall be offered to such Persons (whether Members or holders of Debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par, as such General Meeting shall determine and with full power to give any Person (whether a Member or holder of Debentures of the Company or not) option to be exercisable at such times and for such consideration as may be directed by such General Meeting and subject to such other provisions whatsoever as the case may be, stipulated by the General Meeting, for the issue, allotment or disposal of any Share.	Power of General Meeting to offer Shares to such Persons as the Company may resolve.
7.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue Shares in payment or part repayment for any part payment for any property or assets of any kind whatsoever (including the good-will of any business) sold or transferred or goods or machinery or know-how supplied or for services rendered to the Company either in about the formation or promotion of the Company or the conduct of its business and any Shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than for cash and if so issued shall be deemed to be fully paid up or partly paid up Shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as may be required under the provisions of the Act.	Directors may allot Shares as fully paid up
8.	The Company be and is hereby empowered to issue Shares under the Employee Stock Option Plan subject to the provisions Section 54 of the Act and Rules issued thereunder, guidelines and regulations issued by SEBI and other laws as applicable.	Employee Stock Options
9.	The Shares shall be numbered progressively according to their several denominations.	Shares to be numbered progressively
10.	The money (if any) which the Directors shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposits, call or otherwise in respect of any Shares allotted by them, immediately on the insertion of the name of the allottee in the Register of Members as the holder of such shares, shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by such allottee accordingly.	Deposit and calls etc. /to be a debt payable immediately.
11.	If by the conditions of allotment of any Share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall when due, be paid to the Company by the Person who for the time being and from time to time shall be the registered holder of the Share or his legal representative.	Installments on shares to be duly paid
12.	Except when required by law or ordered by a court of competent jurisdiction, the Company shall not be bound to recognize any person as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) in 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 Articles or as ordered by a court of competent jurisdiction 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.	Company not bound to recognize any interest in shares other than that of the registered holder.
13.	None of the funds of the Company shall be applied in the purchase of any Shares of the Company and itself not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company save as provided by provisions of the Act.	Funds of Company shall not be applied in purchase of shares of the Company.

	UNDERWRITING AND BROKERAGE	
14.	The C The Company may, subject to the applicable provisions of the Act, at any time pay a commission to any Person in consideration of his/her subscribing or agreeing to subscribe or such Person procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any Shares in or Debentures of the Company, but the rate of such commission shall not exceed the permissible rates under the provisions of the Act and be subject to the conditions prescribed under the section (6) of section 40 of the Act and the rules made thereunder. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or Debentures or partly in the one way and partly in the other. The Company may also on any issue of Shares or Debentures, pay such brokerage as may be lawful.	Commission for placing shares, debentures, etc.
	LIEN	
15.	(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/her or his/her 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 Article. Provided further that fully paid up Shares shall be free from all lien. (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. 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 (14) 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.	
	CERTIFICATES	
16.	(i) Every Person whose name is entered as a Member in the Register of Members shall be entitled to receive within two (2) months after incorporation, in case of subscribers to the Memorandum of Association or after allotment or within one (1) 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/her Shares without payment of any charges; or (b) several certificates, each for one or more of his/her Shares, upon payment of twenty (20) rupees for each certificate after the first. Every certificate shall be under the Seal and shall specify the Shares to which it relates and the amount paid-up thereon. (ii) 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.	Share Certificates.
17.	The Directors may in their absolute discretion refuse sub-division of Share/Debenture certificate where such sub-division will result in the issue of certificate for number of Shares and/or Debentures which is less than the marketable lot, unless the sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.	Right to refuse to issue share/debenture Certificate not in consonance with marketable lot.
18.	(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 certificates 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.	As to issue of new Certificate in place of those defaced lost or destroyed.

	(a) When a new share certificate has been issued in pursuance of sub clause (a) of this Article 18 (i), it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No. _____". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.	
	(b) Where a new share certificate has been issued in pursuance of this Article 18 (i), particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new share certificate is issued, and the necessary, changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.	
	(c) All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank form shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose, and the Secretary or other persons aforesaid shall be responsible for rendering an account of these forms to the Board.	
	(d) Managing Director of the Company, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation, and the safe custody of all books and documents, relating to the issue of share certificates except the blank forms of share certificates referred to in sub clause (d) of this Article 18 (i).	
	(e) All the books and documents referred to in this Article 18 shall be preserved in good order permanently.	
19.	Every endorsement upon a share certificate in favour of any transferee thereof shall be signed by such person for the time being authorized by the Directors in that behalf.	Endorsement of Certificate.
20.	The Board shall comply with requirements of Section 46 and rules notified under the Act relating to the issue and execution of share certificates. The provisions of these Articles shall *mutatis mutandis* apply to Debentures of the Company.	Directors to comply with rules.
	CALLS	
21.	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. Further, provided that the option or right to call on shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.	
22.	Each Member shall, subject to receiving at least fourteen (14) 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/her Shares.	
23.	A call may be revoked or postponed at the discretion of the Board.	
24.	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.	
25.	The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.	
26.	(i) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof, to the time of actual payment at such rate, as the Board may determine.	
	(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.	
27.	(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 Articles 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.	
28.	The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the monies due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the Member paying the sum in advance. Provided that money paid in advance of calls on any Share may carry interest but shall not confer a right to dividend or to participate in profits. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to any calls on Debentures of the Company. Where any calls for further share capital are made on the shares of a class, such calls shall be made on a uniform basis on all shares falling under that class. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	
	FORFEITURE AND SURRENDER	
29.	If any Member fails to pay the whole or any part of any call or installment, any money due in respect of any Shares either by way of principal or interest, on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other money as aforesaid remain unpaid, or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the Shares by transmission, requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.	If call or installment not paid notice may be given.
30.	The notice aforesaid shall— (a) name a further day (not being earlier than the expiry of fourteen (14) 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.	Terms of notice.
31.	If the requirements of any such notice as aforesaid shall not be complied with, any of the Shares in respect of which such notice has been given, may, at any time thereafter but before payment of all calls or installments, interest and expense and other monies due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.	Shares to be forfeited in default of payment.
32.	When any Shares shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name they stood immediately prior to the forfeiture, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.	Entry of forfeiture in register of Members.
33.	Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.	Forfeited Shares to be property of the Company and may be sold etc.
34.	The Directors may, at any time before any Shares so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit.	Directors may annul forfeiture
35.	Any person whose Shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such Shares, at the time of the forfeiture together with interest thereon from the time of the forfeiture until actual payment, at such rates as the Directors may determine. The Directors may, and shall be under no obligation to do so, enforce	Share holder still liable to pay money owing at the time of forfeiture and interest.

	the whole or a portion of the payment, as if it were a new call made at the date of the forfeiture.	
36.	The forfeiture of a Share shall involve the extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the Shares forfeited and all other rights incidental to such Shares, except those rights as are expressly saved by these Articles.	Effect of forfeiture.
37.	The Directors may, subject to the provisions of the Act, accept the surrender of any Shares from or by any Member desirous of surrendering them, on such terms as they think fit.	Surrender of shares
38.	(i) For the purpose of enforcing the aforesaid lien on the partly paid- up shares, the Board of Directors may sell the Shares, subject to the terms hereof, in such manner as they shall think fit. However, no sale shall be consummated, unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or his committee, or other legal representatives as the case may be, and a default shall have been made by him or them in the payment of such sums payable as aforesaid, for a period of seven (7) days from the date of notice. (ii) To give effect to any such sale, the Board may authorize any person to transfer the Shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the Shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the Shares sold, shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in lieu of the sale to the purchaser or purchasers concerned.	Enforcement of lien by safe.
39.	The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of the debts, liabilities or engagements of the defaulting Member and 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 such Member or the person (if any) entitled by transmission to the Shares so sold.	Application of proceeds of sale.
40.	A duly verified declaration in writing that the declarant is a Director, a manager or the secretary of the Company and that a Share in the Company has been duly forfeited on a date stated in such declaration, shall be conclusive evidence of the facts stated therein, as against all persons claiming to be entitled to the Share.	Verification of forfeiture.
41.	Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein before given, the Board may appoint a person to execute an instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares so sold, and the Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposition thereof and the person to whom such Shares are sold, re-allotted or disposed off, may be registered as the holder of the Share and he shall not be bound to see to the application of the consideration/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, re-allotment or other disposal of the Share, and after his name has been entered in the Register of Members in respect of such sold Shares, the validity of the sale shall not be impeached by any person.	Title of purchase of forfeited share of shares sold in exercise of lien.
42.	Upon any sale, re-allotment or other disposal of the Shares, under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall (unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificates in respect of the said Shares to the person or persons entitled thereto.	Cancellation of shares certificate in respect of forfeited shares.
	TRANSFER AND TRANSMISSION OF SHARES	
43.	The instrument of transfer of any Shares shall be in such form as may be prescribed under the Act and in writing, and all the applicable provisions of the Act for the time being in force shall be duly complied with, in respect of all transfers of Shares and the registrations thereof.	Form of Transfer.
44.	Every such instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee is entered in the Register of Members in respect thereof.	Instrument of transfer to be executed by the transferor and transferee.
45.	The Company shall not register a transfer of Shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the	Transfer not to be registered except on production of

	transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company, within a period of sixty (60) days from the date of execution of such instrument, along with the certificate relating to the Shares, unless no such share certificate is in existence along with the letter of allotment of the Shares, in which case, an application in writing may be made to the Company by the transferee and bearing the stamp required for an instrument of transfer, such that it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee, has been lost. The Company may register the transfer on such terms as to indemnity as the Board may think fit provided further that nothing in these Articles shall prejudice the power of the Company to register as shareholder any person to whom the right to any Shares in the Company has been transmitted by operation of law.	instrument of transfer.
46.	The Board may, subject to the right of appeal conferred by Section 58 decline to register— (a) the transfer of a Share, not being a fully paid up Share, to a person of whom they do not approve; or (b) any transfer of a Share, on which the Company has a lien; or (c) any transfer of a Share which is in contravention of the Act, or any other applicable law. PROVIDED THAT registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. The Board may decline to recognize 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.	Directors may refuse to register transfer.
47.	If the Company refuses to register the transfer of any share or transmission of any right therein the Company shall, within one month from the date on which the instrument of transferor intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor to the person giving intimation of transmission, as the case may be, and thereupon the provisions of the Act shall apply.	Notice of refusal to be given to transferor and transferee.
48.	A transfer of a share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be a valid as if he had been a Member at the time of the execution of the instrument of transfer.	Transfer by legal representative.
49.	The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same. The Directors may cause to be destroyed, all transfer deeds lying with the Company for a period of ten (10) years or more.	Custody of instrument of transfer.
50.	The Directors shall have the power, subject to provision of a prior notice by advertisement to its Members, as required under the provisions of the Act, to close the transfer books of the Company, the Register of Members or the Register of Debenture holders at such time or times and for such period or periods as may be permissible, not exceeding thirty (30) days at a time.	Closure of transfer books.
51.	The executors or administrators or a holder of a succession certificate in respect of the estate of a deceased Member, not being one of two or more joint holders shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such deceased Member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly constituted court in India, provided that in any case, where the Directors in their absolute discretion think fit, they may dispense with the production of Probate or Letters of Administration or succession certificate, and under the provisions of Article 54 hereto, register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member, as a Member.	Title of Shares of deceased holder.
52.	Subject to the provisions of Article 54 hereof, any person becoming entitled to a Share in consequence of the death, lunacy or insolvency of any Member, upon producing proper evidence of the grant of Probate or Letters of Administrations	Transmission clause

	or Succession Certificate or such other evidence that he sustains the character in respect of which he purports to act under this Article or of his title to the shares as the Board thinks sufficient may with the consent of the Board (which it shall not be under any obligation to give), be registered as a Member in respect of such Shares, or may, subject to the provisions of these Articles as to transfer hereinbefore contained, transfer such shares. This clause is herein referred to as the transmission clause.	
53.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register any such transmission until the same has been so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any such indemnity.	Refusal to register in case of transmission.
	NOMINATION OF SHARES	
54.	i) Notwithstanding anything contained hereinabove, every shareholder of the Company may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death.	Nomination of Shares.
	ii) Where the shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the company, shall vest in the event of death of all the joint-holders.	Nomination in case of Joint Holders.
	iii) *Notwithstanding anything contained in any other law for the time being in force or in any deposition, whether testamentary or otherwise, in respect of such shares in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such shares, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.*	
	iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner, any person to become entitled to shares in the Company, in the event of his death, during the minority.	
	TRANSMISSION OF SHARES BY NOMINEE	
55.	i) A nominee, upon production of such evidence as may be required by the Board, and subject to the provisions hereinafter provided, elect either:	
	(a) himself/herself to be registered as holder of the Share; or	
	(b) to make a transfer of the Share or Debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.	
	ii) If the nominee elects to be registered as holder of the Share himself/herself, as the case may be, he/she shall deliver or send to the Company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.	
	iii) A nominee, upon becoming entitled to a Share/ Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled to, if he/she were the original registered holder of the Share/ Debenture, except that he/she shall not, before being registered as a Member in respect of his Share or Debenture, be entitled in respect of such Share/ Debenture, to exercise any right conferred by Membership in relation to meetings of the Company.	
	Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the Share and if the notice is not complied with by such nominee within ninety (90) days from the date of notice, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of such Share/Debenture, until the requirements of the notice have been complied with.	
56.	A person entitled to a Share by transmission shall subject to the right of the Directors to retain such dividends or monies as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.	Persons entitled may receive dividend without being registered as Member.
57.	Every transmission of a Share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation	Board may require evidence of transmission.

	on the Company or the Directors to accept any indemnity.	
58.	The Company shall not charge any fee for registration of transfer or transmission in respect of Share or Debentures of the Company.	No fee on transfer or transmission
59.	The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right title or interest (to or in such Shares), notwithstanding that the Company may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 89 of the Act, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest of any person, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.	Company not liable for disregard of a notice prohibiting registration of transfer.
60.	The Company shall keep a book called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of any Share in the Company.	Register of transfers.
61.	The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares or other securities or whose name appears as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.	
	DEMATERIALISATION OF SECURITIES	
62.	(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its Securities and to offer and deal in Securities in a dematerialized form pursuant to the provisions of the Act, the Depositories Act and the rules framed thereunder.	
	(b) **Securities in depositories to be in fungible form**:	
	(i) All Securities held by a Depository shall be dematerialized and shall be in fungible form.	
	(ii) Nothing contained in Sections 89 of the Act shall apply to a Depositor in respect of the Securities held by it on behalf of the Beneficial Owners.	
	(c) **Section 45 of the Act not to apply**: Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for Securities issued by the Company shall apply to securities held in a depository.	
63.	**Option to receive Security certificates or hold Securities with depository**:	
	(a) Every person subscribing to Securities offered by the Company shall have the option to receive and/or deal-in the security certificates or hold Securities with a Depository.	
	(b) Where a person opts to hold a Security with a Depository the Company shall intimate such Depository the details of allotment of the Security and on receipt of such information the Depository shall enter in its record the name of the allottees as the Beneficial Owner of such Security(ies).	
	(c) **Register and Index of beneficial owners**	
	(i) The Company shall be entitled to keep in any country outside India a branch Register and Index of beneficial owners residing outside India.	
	(ii) The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.	
	(iii) The Company shall cause to be kept a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialised forms in any medium as may be permitted by law including in any form of electronic medium.	
	(iv) Subject to the provisions of any law the depository shall preserve records and documents for a minimum period of eight years.	
	(d) **Rights of Depositories and Beneficial Owners**:	
	(i) Notwithstanding anything to the contrary contained in the Articles or any other law for the time being in force, a Depository shall be deemed	

	to be the registered owner for the purposes of effecting transfer of ownership of the Security on behalf of the Beneficial Owner.	
	(ii) Save as otherwise provided in (i) hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it.	
	(iii) Every person holding Securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his Securities held by a Depository.	
	(e) **Depository to furnish information**: Every Depository shall furnish to the Company, information regarding the transfer of Securities in the name of the Beneficial owners at such interval and in such manner as may be specified by the Bye-Laws and the Company in that behalf.	
	(f) Notwithstanding anything in the Act or these Articles to contrary where Securities are held in a depository the records of beneficial ownership may be served by such depository on the Company means of electronic mode or by delivery of floppies or discs.	
	(g) **Option to opt out in respect of any security**.	
	(i) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly.	
	(ii) The Depository shall on receipt of an intimation as above, make appropriate entries in its records and shall inform the Company.	
	(iii) The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by these Articles, issue the certificate of securities to the Beneficial Owner of the transferee as the case may be.	
64.	Nothing contained in section 56 of the Act, shall apply to transfer of Securities effected by the transferor and the transferee both of whom are entered as Beneficial Owner in the record of the Company.	
	COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS	
65.	Copies of the Memorandum and Articles of Association of the Company and other documents as may be referred in the Act shall be sent by the Company to every Member at his request on payment of the sum of INR 10/- (Rupees Ten only) per page.	Copies of Memorandum and Articles of Association to be sent by the Company.
	CONVERSION OF SHARES INTO STOCK	
66.	The Company in its General Meeting may alter its Memorandum to: (a) convert all or any of its fully Paid-Up Shares into stock; and (b) re-convert any stock into fully Paid-Up Shares of any denomination;	Conversion of shares into stock and reconversion.
67.	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 shares from which the stock across.	Transfer of stock.
68.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting and 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 as regard dividends, participation in the 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.	Right of Stock holders.
69.	Such of the regulations of the Company (other than those relating to share warrants) as are applicable to Paid-Up Shares shall apply to stock and the words "Share" and "Shareholders" in these Articles shall include stock and stockholders respectively.	Articles to apply to stocks.
	INCREASE, REDUCTION AND ALTERATION OF CAPITAL	
70.	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.	Increase of Capital.

71.	Subject to the provisions of Section 61 of the Act, the company may, by ordinary resolution in its General Meeting,— (a) increase its authorized share capital by such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares; (c) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination; (d) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum; (e) 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.	
72.	The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.	
73.	(1) Where at any time, the Company proposes to increase its subscribed capital by the issue of further Shares, such Shares shall be offered – (a) to persons who, at the date of the offer, are holders of equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those Shares by sending a letter of offer subject to the following conditions, namely:— (i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed by the Act and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; (ii) subject to the provisions of these Articles, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) of Article73(1)(a) herein above shall contain a statement of this right; (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company; (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed under the Act and any other law in force at the time, including the conditions set out under the employees' stock option guidelines issued by the SEBI (as may be applicable); or (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) hereinabove, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and rules framed thereunder. (2) The notice referred above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.	Right of Equity Share Holding to Further Issue Of Capital.
74.	Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company: Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a special resolution passed by the Company in a General Meeting.	
75.	(1) Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting or otherwise.	Further issue of Capital to be governed by same rules.
	(2) Subject to the provisions of the Act and the rules framed thereunder, the Company shall have the power to issue preference shares which are, or at the option of the Company, liable to be redeemed within a period not	

	exceeding twenty (20) years from the date of issue and the redemption may, subject to the provisions of the Article hereof and the Act and rules framed thereunder, be effected in the manner and subject to the terms and provisions of its issue.	
	(3) On the issue of redeemable Preference Shares under the provisions of Article 75(2) herein above, the following provisions shall take effect:	
	(a) no such Shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of the fresh issue of Shares made for the purpose of redemption.	
	(b) no such Shares shall be redeemed unless they are fully paid;	
	(c) the premium if any payable on redemption shall be provided, for out of the profits of the Company or the Company's Securities Premium Account before the Shares are redeemed;	
	(d) where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits, transfer a sum equal to the nominal amount of the Shares to be redeemed, which would otherwise have been available for dividend, to a reserve fund, to be called the "Capital Redemption Reserve Account", and the provisions of the Act relating to the reduction of the Share Capital of the Company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.	
76.	The Company may, subject to the provisions of the Act, from time to time by special resolution reduce its share capital and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its Shares accordingly. Provided that no such reduction shall be made if the Company is in arrears in the repayment of any deposits it may have accepted, or the interest payable thereon.	Reduction of Capital.
77.	The right conferred upon the holders of Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by 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* herewith.	Issue of further *pari passu* shares not to affect the rights of shares already issued.
	MODIFICATION OF RIGHTS	
78.	If at any time the share capital is divided into different classes, the rights attached to any class of Shares (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three fourths of the issued Shares of that class, or with the meeting of the holders of that class of Shares and all the provisions hereinafter contained as to General Meeting shall *mutatis mutandis* apply to every such meeting.	Rights attached to class of Shares may be varied.
	JOINT HOLDERS	
79.	Where two or more persons are registered as the holders of any Share they shall be deemed to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions in the Articles;	
	(a) The Company may be entitled to decline to register more than three (3) persons as the joint holders of any Share(s).	
	(b) The joint holders of any Share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such Share.	
	(c) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the Share but the Directors may require such evidence of deaths they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holder from any liability in respect of the Shares held by him jointly with any other person.	
	(d) Only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other moneys payable in respect of such share.	
	(e) Only the person whose name stands first in the Register of Members as one of the Joint holders of any Share shall be entitled to delivery of the Certificate relating to such Share or to receive documents) from the Company and any documents served on or sent to such person shall be deemed service on all the joint holders.	

	DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARE	
80.	(a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such share shall, within such time and in such form as prescribed under the Act, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in such manner as may be required under the provisions of the Act.	
	(b) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall within the time prescribed under the Act after his becoming such Beneficial Owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the company and such other particulars as may be required under the provisions of the Act.	
	(c) Whenever there is a change in the beneficial interest in the Share referred to above, the Beneficial Owner shall within a period of thirty (30) days from the date of such change make a declaration to the Company in such form and containing such particulars may be required under the provisions of the Act.	
	(d) Notwithstanding anything contained in the provisions of the Act and the Articles hereof, where any declaration referred to above is made to the Company the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.	
81.	Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and any other applicable provision of the Act and rules there under or any other law for the time being in force, the Company may purchase its own shares or other specified Securities.	Buy-back of shares.
	BORROWING POWERS	
82.	Subject to the provision of Section 180 (1) (c) of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion, by a resolution passed at a meeting of the Board and not by circular resolution, to borrow monies provided that the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Such consent shall be obtained by a special resolution which shall provide for the total amount up to which moneys may be borrowed by the Board. The expression "temporary loans" in this Article means loans repayable on demand or within six (6) months from the date of the loans such as short term loans, cash credit arrangements, discounting of bills and the issue of other short-term loans of seasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.	Power to borrow.
83.	Subject to the provisions of the Act and these Articles, the Directors may by a resolution passed at a meeting of the Board and not by circular resolution, secure the payment of such sum or sums in such manner and upon such issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property, undertaking of the company (both present and future). Provided that consent of the Members by way of special resolution would be necessary for security to be created on whole or substantially whole of the undertaking. For the purposes of this Article: (i) "undertaking" shall mean an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent. of the total income of the company during the previous financial year; (ii) the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.	Conditions on which monies may be borrowed.
84.	Any bonds, Debentures, debenture-stock or other Securities issued or to be issued by the Company, shall be under the control of the Directors, who may	Bonds, debentures, etc. to be subject to control of Directors.

	issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	
85.	Debentures, debenture-stock, bonds or other Securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.	Securities may be assignable free from equities.
86.	Subject to the provisions of the Act and these Articles, any bond, Debentures, debenture stock or other Securities, may be issued at par, premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at a General Meeting, appointment of Directors or otherwise. Provided that the Debentures with the right to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in a General meeting by a special resolution.	Condition on which bonds, debentures, etc. may be issued.
87.	The Board shall cause a proper Register to be kept in accordance with the provisions of the Act, of all mortgages, Debentures and charges specifically affecting the property of the Company including all floating charges on current assets of the Company and fixed charges on the undertaking or any property of the Company, and shall cause the requirements of the Act in relation to charges be duly complied with.	
	DEBENTURES	
88.	The Company shall have the power to issue debentures whether convertible or nonconvertible, and whether linked to issue of equity shares or not, among Members, but in exercising, this power, provisions of these Articles and the Act and any statutory modifications thereof shall be complied with.	
	REGISTRATION OF CHARGES	
89.	(a) The provision of Chapter VI the Act relating to registration of charges which expression shall include mortgage shall be complied with.	
	(c) In the case of a charge created out of India and comprising solely of property situated outside India the relevant provisions of the Act shall be complied with.	
	(c) Where a charge is created in India but comprises property outside India, the instrument creating or proposing to create the charge under that section or a copy thereof verified in the prescribed manner, may be filed for registration notwithstanding that further proceedings, may be necessary to make the charge valid or effectual according to the law of the country of which the property is situated.	
	(d) Where any charge on any property of the Company required to be registered under the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein, shall be deemed to have notice of the charge as from the date of such registration.	
	(e) In respect of registration of charges on properties acquired subject to charge, the relevant provisions of the Act shall be complied with.	
	(f) The Company shall also comply with the provisions of the relevant provisions of the Act and the rules framed thereunder, relating to security to be created in case of series of Debenture entitling holders to any charge to the benefit of which the Debenture holder of that series are entitled.	
	GENERAL MEETINGS	
90.	Subject to the provisions of the Act, the Company shall, in addition to any other meeting, hold a General Meeting (hereinafter called "**Annual General Meeting**") at the intervals and in accordance with the requirement of the Act and no more than fifteen (15) months shall elapse between the date of one Annual General Meeting of the Company and that of the next.	Annual General Meeting.
91.	All General Meetings other than Annual General Meeting shall be called Extra-Ordinary General Meetings.	Extra-ordinary General Meeting.
92.	The Board of Directors may call an Extraordinary General Meetings whenever they think fit.	Directors may call Extra-Ordinary General Meeting.
93.	(1) The Board of Directors shall at the requisition made by such number of Members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as on that date carries the right of voting, proceed duly to call an Extraordinary General Meeting of the Company and the provisions the Act and the provisions of the Articles herein below contained shall be applicable to such Extraordinary General Meeting.	Directors call Extra-ordinary General Meeting on requisition.
	(2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company.	
	(3) The requisition may consist of several documents of the like form each	

		signed by one or more requisitionists.	
	(4)	Where two or more distinct matters are specified in the requisition, the provisions of Clause (1) of Article 93 above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.	
	(5)	If the Board of Directors do not, within twenty one days form the date of the receipt of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matter, on a day not later than forty five days from the date of the receipt of the requisition. The meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either majority in value for the paid up share capital held by all of them, or not less than one-tenth of such of the paid up share capital of the Company as is referred to in Article 93 (1) above whichever is less, shall proceed to call and hold meeting within three months from the date of the requisition.	
	(6)	Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.	
94.	(1)	A General Meeting of the Company may be called by giving not less than clear twenty-one days' notice in writing or by electronic mode in the manner set out under the Act.	Notice of Meeting.
	(2)	However, the General Meeting may be called after giving a shorter notice (i.e., lesser than twenty-one days), if the consent is accorded thereto in writing or by electronic mode by not less than ninety-five percent of the Members entitled to vote at such General Meeting.	
95.	(1)	Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting and shall contain a statement of the business to be transacted at such General Meeting.	Content of Notice.
	(2)	In every notice there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.	
96.	(1)	In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:	Special Business.
		(i) the consideration of the financial statements including balance sheet and the profit and loss account statements and the report of Board of Directors and the auditors.	
		(ii) the declaration of dividend.	
		(iii) the appointment of and the fixing of the remuneration of the auditors.	
		(iv) the appointment of Directors in the place of those retiring.	
	(2)	In the case of any other meeting all business shall be deemed special.	
	(3)	Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting, a statement setting out all material facts concerning each item of special business to be transacted at a General Meeting, shall be annexed to the notice calling such meeting, namely:—	
		(a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—	
		(i) every director and the manager, if any;	
		(ii) every other key managerial personnel; and	
		(iii) relatives of the persons mentioned in sub-clauses (i) and (ii);	
		(b) any other information and facts that may enable Members to understand the meaning, scope and implications of the items of business and to take decision thereon.	
	(4)	Where any item of business to be transacted at the meeting consists of according approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.	
	(5)	"**Postal Ballot**": Members will be entitled to vote by Postal Ballot for only those resolutions as may be notified by the Central Government from time to time, in the manner and in accordance with the provisions of the Act and	

	the rules framed thereunder. If a resolution is passed by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been passed at a General Meeting convened in that behalf. (6) Notwithstanding anything to the contrary contained in these Articles, any reference made to a resolution by the Members of the Company at any General Meeting shall also be deemed to include a resolution passed by postal ballot in accordance with the provisions contained in these Article whether or not the subject matter of such resolution is a matter for which resolution by postal ballot is compulsory under the applicable provisions of the Act or any other law for the time being in force. (7) Notices and other documents of General Meeting of the Company may also be given to every Member of the Company by e-mail, provided that every Member should be given an advanced opportunity to register their e-mail address and changes therein from time to time with the Company or its Registrar and Share transfer agents. In case any Member has not registered his e-mail address with the Company, the service of notice and documents shall be in physical and in accordance with the provisions of Act.	
97.	Notice of every meeting shall be given to every Member of the Company in any manner authorized by the Act and by these Articles, it shall be given to the persons entitled to a Share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the time of the representative of the deceased or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.	Notice in case of death of a Member.
98.	Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the provisions of applicable rules, regulations, circulars, guidelines, notifications, etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), or any competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act or by the rules, regulations made there under or the SEBI guidelines and notifications, from time to time, allow the Member(s) of the Company to participate in the General Meeting(s) of the Members through any type of electronic mode like video conferencing, etc. and the Members so participating shall be deemed to be present in such General Meeting(s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard. For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines, etc. issued / to be issued from time to time by MCA, SEBI or any other competent authority(ies) in this regard.	Meetings by Video Conference.
99.	Notice of every meeting of the Company and every other communication relating to any General Meeting of the Company which any Member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company in the manner authorized by the provisions of the Act, as in the case of any Member or Members of the Company.	
100.	The accidental omission to give notice of any meeting to or the non-receipt of any notice by any Member or to the other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat.	
101.	(1) Where by any provision contained in the Act or in these Articles, a special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen (14) days before the meeting at which it is to be moved exclusive of (i) the days on which the notice is served or deemed to be served; and (ii) the day of the meeting. (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it give its Members notice of the	

	resolution in the same manner as it gives notices of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles, not less than seven days before the meeting.	
102.	Upon requisition in writing of such number of Members as required in Article 93 hereof, the Directors shall duly comply with the obligation of the Company under the Act relating to circulation of Members resolutions and statement.	
103.	A certificate in writing, signed by the Secretary or by a Director or some officer appointed by the Directors for the purpose, to the effect that according to the best of his belief the notice convening the meeting have been duly given, shall be conclusive evidence thereof.	Certificate in writing by Secretary/ Director shall be conclusive evidence
104.	No Annual General Meeting or Extraordinary General Meeting shall be competent to enter upon, discuss or transact any business, a statement of which has not been specified in the notice convening such meeting, except as provided in the Act.	Business which may not be transacted at the meeting.
	PROCEEDING AT GENERAL MEETINGS	
105.	Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.	Quorum at General Meeting.
106.	If within half an hour after the time appointed for the holding of a General Meeting, valid quorum is not present, the meeting, if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week or if the day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day, time and place as the Directors may by notice to the shareholders appoint. If at such adjourned meeting, a valid quorum is not present within half an hour, those Members present shall be a quorum and may transact the business for which the meeting was called.	Proceedings when quorum not present.
107.	No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.	Business of adjourned meetings.
108.	The Chairman of the Board Of Directors shall be entitled to take the Chair at every General Meeting if there be no Chairman, or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Vice-Chairman, or in the case of his absence or refusal, the Directors present may choose a Chairman, and in default of their doing so the Members present shall choose one of the Directors to be the Chairman, and if no Director present be willing to take the Chair, the Members personally present shall choose one of the Member to be the Chairman.	Chairman
109.	(1) No business shall be discussed at any General meeting, except the election of Chairman whilst the Chair is vacant.	Business confined to decision of Chairman whilst Chair vacant.
	(2) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles, and the Chairman so elected on a show of hands shall continue to be the Chairman of the meeting and exercise all the powers of the Chairman under the Act and these Articles, until some other person is elected as Chairman as a result of the poll and such other person shall be the Chairman for the rest of the meeting.	
110.	The Chairman with the consent of any meeting at which a quorum is present, can adjourn any meeting from time to time and from place to place in the city or town or village where the registered office of the Company is situated.	Chairman with consent may adjourn meeting.
111.	At any General Meeting a resolution put to the vote at the meeting shall, unless a poll is (before or on the declaration of the result on a show of hands) demanded, be decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	Evidence of the passing of a resolution where poll not demanded.
112.	Before or on declaration of the result of the voting on a show of hands, the Chairman may on his own motion, order a poll to be taken. Poll shall also be ordered by Chairman if it is demanded by one or more Members present at the meeting in person or by proxy and holding shares or being entitled to votes at least to the extent stipulated under the provisions of the Act. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	Demand for Poll.

113.	A poll demanded on any question (other than the election of the Chairman or on question of adjournment, which shall be taken forthwith) shall be taken at such place in the city/town or village in which the Registered Office of the Company is situate and at such time not being later than forty eight hours from the time when the demand was made as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution, on which the poll was taken.	Time and manner of taking poll.
114.	Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him in the manner as may be prescribed under the Act. The Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken.	Chairman to regulate the poll.
115.	The demand for a poll shall not prevent the continuance of a meeting for transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transactions of other business.
116.	At every Annual General Meeting of the Company there shall be laid on the tables the Directors Report and audited statement of Accounts, Auditors Report (if not already incorporated in the statement of accounts), the Proxy Register with proxies and the Register of Directors and Managing Director's or Manager's shareholding maintained under the Act. The Auditors Report shall be read before the Company in its General Meeting and shall be open to inspection by any Member of the Company.	Reports statements and Registers to be laid on the table.
117.	(1) A copy each of the following resolutions (together with a copy of the statement of material facts annexed to the notice of the meeting in which such resolution has been passed) and agreements shall, within a period of thirty (30) days after the passing of the resolution or making thereof, be printed or typewritten and duly certified under the signature of an officer of the Company and filed with the Registrar, in such manner and with such fees as prescribed under the Act and the rules framed thereunder: (a) special resolutions; (b) resolutions which have been agreed to by all the Members of the Company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions; (c) any resolution of the Board of Directors of the Company or agreement executed by the Company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director; (d) resolutions or agreements which have been agreed to by any class of Members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner; (e) all resolutions or agreements which effectively bind such class of Members though not agreed to by all those Members; (f) resolutions passed by a company according consent to the exercise by its Board of Directors of any of the powers under clause (a) and clause (c) of sub-section (1) of Section 180 of the Act; (g) resolutions requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Act; (h) resolutions passed in pursuance of sub-section (3) of Section 179 of the Act; and (i) any other resolution or agreement as may be prescribed under the Act and the rules framed thereunder and placed in the public domain.	Registrations of Certain Resolution and Agreement.
118.	The. Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of the Act by making, within thirty (30) days of the conclusion of each such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initiated or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.	Minutes of General Meeting.
119.	The books containing the aforesaid minutes shall be kept at the registered office and be open during business hours to the inspection of any Member without charge, subject to such reasonable restrictions the Company may by these	Inspection of Minutes Books of General Meeting.

	Articles or in General Meeting impose in accordance with provisions of the Act. Any Member shall be entitled to be furnished, within seven (7) days after he had made a request in that behalf to the Company, with a copy of the minutes on payment of such sum as prescribed under the Act.	
120.	No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by these Articles or such information as required by the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of report of proceedings of General Meeting.
	VOTES OF MEMBERS	
121.	Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorized under a resolution.	Votes may be given by proxy of attorney.
122.	(1) Subject to any rights or restrictions for the time being attached to any class or classes of Shares,— (a) on a show of hands, every Member present in person shall have one vote; and (b) on a poll, the voting rights of Members shall be in proportion to his share in the Paid-Up equity share capital of the Company. (2) A Member may exercise his vote at a meeting by electronic means in accordance with the provisions of the Act. (3) (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. (4) 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. (5) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. (6) No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of his Shares in the Company have been paid. (7) (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.	
123.	Any person entitled under the transmission clause to transfer any Share, shall not be entitled to be present; or to vote at any meeting either personally or by proxy in respect of such Shares, unless a least forty eight (48) hours before the time for holding the meeting or adjourned meeting as the case may be; at which he proposes to be present and to vote, he shall have satisfied the Directors of his right to transfer such Shares (as to which the opinion of the Directors shall be final) or unless the Directors shall have previously admitted his right to vote in respect thereof.	Votes of a person entitled to a share on transmission.
124.	Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting.	Appointment of proxy.
125.	Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an Officer or an attorney duly authorized by it.	Deposit of instrument of proxy.
126.	(1) The instrument of proxy shall be deposited at the office of the Company not less than forty eight (48) hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument proxy shall not be treated as valid.	
	(2) Every Member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect, the proxies lodged at any time during the	

	business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.	
127.	An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time.	Form of Proxy.
128.	If any such instrument be confined to the object of appointing a proxy for voting at a meeting of the Company, it shall remain permanently or fix such time as the Directors may determine, in the custody of the Company, and if embracing other object, a copy thereof, examined with the original shall be delivered to the Company to remain in the custody of the Company.	Custody of the instrument of proxy.
	DIRECTORS	
129.	Subject to the provisions of the Act, the number of Directors shall not be less than three (3) and unless otherwise determined by the Company in General Meeting more than fifteen (15). The Company may appoint more than fifteen (15) directors after passing a special resolution.	Number of Directors
130.	The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and reappoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such financial Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation.	Nominee Directors.
131.	The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other director in the Company, or holding directorship in the Company, to act as an alternate director for a Director during his absence for a period of not less than three (3) months from India: No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of this Act: An Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.	Appointment of Alternate Directors.
132.	Subject to the provisions of the Act, any casual vacancy occurring for the office of a Director whose period of office is liable to determine by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office till such time, the original directors would have held office, if the vacancy had not occurred.	Casual Vacancy.
133.	Subject to the provisions of the Act, the Director shall have power at any time and from time to time to appoint a person or persons as Additional Director or Directors. Provided that any person who fails to get appointed at a General Meeting, shall not be eligible for appointment as an Additional Director.	Appointment of Additional Directors.
134.	Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company, but shall be eligible for re-election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Article.	
135.	The Company shall appoint such number of directors as Independent Directors as may be required under the provisions of the Act and rules thereunder, if applicable. The candidates to be appointed as Independent Director shall hold such qualifications and shall comply with such conditions as may be prescribed under the Act.	Appointment of Independent Directors.
136.	The Company shall appoint such number of women directors as may be required under the provisions of the Act and rules thereunder.	Appointment of Women Directors
137.	A Director of the Company shall not be bound to hold any qualification shares.	Qualification Shares.
138.	Subject to the provisions of the Act and schedules there under, the remuneration payable to the Director of the Company shall be as hereinafter provided.	Remuneration of Directors.
	(1) The fees payable to a Director for attending a meeting of the Board or a committee of the Board or a General Meeting shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under relevant provisions of the Act, or if, not so prescribed in such manner as the Directors may determine from time to time in conformity with the provisions of law. Subject to the provisions of Section 197 and Schedule V to the Act, the Directors shall be paid such further remuneration if any, either on the basis of percentage of the net profits of the Company or otherwise, as the Company in General Meeting	

		shall from time to time determine, and such additional remuneration and further remuneration shall be divided amongst the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided amongst the Directors equally. Provided that the total Managerial Remuneration shall not exceed the overall maximum remuneration as may be prescribed under the Act.	
	(2)	The Board of Directors may in addition allow and pay to any Director who is not a *bona fide* resident of the place where a meeting of the Board or Committee or a General Meeting of the Company is held, and who shall come to that place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his travelling, hotel, boarding, lodging and other expenses incurred in attending or returning from meetings of the Board of Directors, or any Committee thereof or General Meetings of the Company.	
	(3)	Subject to the limitations provided by the Act and this Article, if any Director shall be called upon to go or reside out of his usual place or residence on the Company's business or otherwise perform extra service outside the scope of his ordinary duties, the Board may arrange for such Director such special remuneration for such service either by way of salary, commission or the payment of stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any travelling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed with all fees for filling all documents which they may be required to file under the provisions of the Act.	
139.	(1)	The Board of Directors, may from time to time appoint one or more of their body to be a Managing Director or a Whole-time Director of the Company either for a fixed term not exceeding five (5) years for which he or they is or are to hold such office on terms and conditions as they may deem fit and delegate such power to him as they may deem proper and from time to time remove or dismiss him or them from office and appoint another in his/their place.	Appointment of and Remuneration payable to Managing Director and/or Whole-time Director
	(2)	The Board may fix the remuneration of such Managing Directors and Whole-time Directors, whether by way of salary or commission or by conferring a right to participate in the profits of the Company or by combination of any of the above.	
140.		The continuing Directors may act notwithstanding any vacancy in their body but subject to the provisions of the Act, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.	Directors may act notwithstanding vacancy.
141.	(1)	A person shall not be eligible for appointment as a Director of the Company, if — (a) he is of unsound mind and stands so declared by a competent court; (b) he is an undischarged insolvent; (c) he has applied to be adjudicated as an insolvent and his application is pending; (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six (6) months and a period of five (5) years has not elapsed from the date of expiry of the sentence: Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven (7) years or more, he shall not be eligible to be appointed as a director in any company; (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force; (f) he has not paid any calls in respect of any Shares of the Company held by him, whether alone or jointly with others, and six (6) months have elapsed from the last day fixed for the payment of the call; (g) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five (5) years; or (h) he has not complied with sub-section (3) of section 152 of the Act. (2) No person who is or has been a Director of a company which—	Disqualifications for a person to act as director

		(a) has not filed financial statements or annual returns for any continuous period of three financial years; or (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one (1) year or more; shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.	
142.	(1)	Subject to the provisions of the Act, the office of a director shall become vacant if:	When office of Directors to become vacant.
		(a) he incurs any of the disqualifications specified in Section 164 of the Act; (b) he absents himself from all the meetings of the Board of Directors held during the preceding period of twelve (12) months with or without seeking leave of absence of the Board; (c) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act; (e) he becomes disqualified by an order of a court or the Tribunal; (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six (6) months: Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court; (g) he is removed in pursuance of the provisions of this Act; and (h) he, having been appointed as a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.	
	(2)	Subject to the provisions of the Act, a Director may resign his office at any time by providing a notice in writing addressed to the Company or to the Board of Directors.	
143.	(1)	Subject to the provisions of Section 188 of the Act, no Director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as vendor, purchaser, agent, broker, underwriter of Shares and Debentures of the Company or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but it is hereby declared that nature of his interest must be disclosed by him as provided hereunder.	Directors may contract with Company.
	(2)	Every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company as prescribed under section 184 of the Act shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided in these Articles hereof.	Disclosure of interest.
		(a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-clause (2) above shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of the meeting, concerned or interested in the proposed contract or arrangement at the first, meeting of the Board after the Director becomes so concerned or interested.	
		(b) In the ease of any other contract arrangement, the required disclosure shall he made at the first meeting of the Board held alter the Director becomes concerned or interested in the contract or arrangement.	
	(3)	For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a Director or Member of a	General Notice of interest.

	specified body corporate or is a Member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm sail be deemed to be sufficient disclosure of such concern or interest in relation to any contract or arrangement so made. Such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The General Notice as aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.	
	(4) Nothing contained in sub-clause (2) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other Company.	
	(6) A Director shall not take any apart in the discussion of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company, if he is in any way directly or indirectly, concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void.	
144.	(1) The Company shall keep one or more Registers in accordance with the provisions of the Act, in which shall be entered separately, particulars of all contracts or arrangements in which the Directors interested. The Registers shall include details of the contracts and name of parties and such other details as may be required under the prevailing provisions of the Act.	Register of Contracts in which Directors are interested
	(2) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him General Notice of interest. (3) The Registers as aforesaid shall be kept at the registered office of the Company and they shall be open to inspection at such office and extracts may be taken from any of them and copies thereof may be required by any Member of the Company to the same extent in the same manner and on payment of the same fees as in case of the Register of Members.	
145.	A Director of the Company may be or may become a Director of any Company promoted by the Company, or in which it may be interested as vendor, Member or otherwise and subject to the provisions of the Act and these Articles.	Directors may be Directors of Companies promoted by the Company.
146.	A Director, Managing Director, Manager or Secretary of the Company shall within fifteen (15) days of his appointment to or relinquishment of his office as Director, Managing Director, Manager or Secretary in any other body corporate, disclose to the Company, the particulars relating to his office in the other body corporate.	Disclosure by Directors, etc. of appointment.
147.	A Director or Manager shall give notice in writing to the Company of his holding of shares and debentures of the Company, or its holding or its subsidiary or its associates, together with such particulars as may be prescribed under the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter the aforesaid particulars in a Register kept for their purpose in conformity with provisions of the Act.	Disclosure of holdings.
148.	No Director of the Company and no related party shall hold any office or place of profit under the Company, or any subsidiary of the Company except as provided in and subject to the provisions of section 188 of the Act and rules made there under.	Holding of Office of profits by Directors.
149.	The Company shall observe the restrictions imposed by Section 185 of the Act on the Company with regard to grant of loan or security and guarantee to and or behalf of Directors and any other person in whom the director is interested.	Loans to Directors.
150.	Subject to the provisions of Section 188 of the Act, the Company can by passing a resolution of the Board of Directors or by way of ordinary resolution as the case may be, and subject to such conditions as may be prescribed under the Section 188 of Act and rules there under, may enter into any contract or arrangement with a related party with respect to: (a) sale, purchase or supply of any goods or materials; (b) selling or otherwise disposing of, or buying, property of any kind;	Related Party Contracts.

	(c) leasing of property of any kind; (d) availing or rendering of any services; (e) appointment of any agent for purchase or sale of goods, materials, services or property; (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and (g) underwriting the subscription of any securities or derivatives thereof, of the Company: No Member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such Member is a related party. Nothing in this Article shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.	
151.	Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce within the maximum limit permissible, the number of Directors, provided that any increase in the number of Directors exceeding the limit in that behalf provided by the Act shall not have any effect unless necessary approvals have been taken in accordance with the Act.	Increase or reduction in number of Directors.
	RETIREMENT AND ROTATION OF DIRECTORS	
152.	(a) Subject to the provisions of the Act, the Board shall decide as to which of the Directors out of them whose period of office shall be liable to determination by retirement by rotation. The Board of Directors shall take the required decision in this respect in the meeting first held immediately after the insertion of this Article and thereafter every time as and when the total number of Directors is increased or decreased.	Retirement and rotation of Directors.
	(b) The total number of permanent Directors inclusive of Directors referred to in sub clause (a) above and the aforesaid Managing Director or Managing Directors and or Whole-time Director or Whole-time Directors and Nominee Director appointed by the financial institution shall not exceed one-third of the total strength of the Board of Directors of the Company or the number permissible for non-rotation of the Directors under the provisions of the Act as the case may be. However, in case their total number and/or along with the Directors stated in sub-clause (a) above, as the case may be, exceeds one-third of the total number of Directors appointed in the Board or the number permissible under the provisions of the Act for non-rotation of the Directors as the case may be, the Board shall decide as to out of them whose period of office shall be liable to determination by retirement by rotation from time to time as and when such situation arises.	
	(c) Subject to sub-clauses (a) and (b) above, the Board of Directors shall have power to decide as to who out of the Directors should be the non-rotational Director/s.	
	(d) At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation shall retire from office.	
	(e) Not less than two-third of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.	
	(f) The remaining Directors shall be appointed in accordance with the provisions of these Articles.	
	(g) The expression "**Retiring Director**" means a Director retiring by rotation.	
153.	Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between person who become Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed.	Ascertaining of Directors retiring by rotation.
154.	Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.	Eligibility for re-election.
155.	The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the Retiring Director	Company to fill up vacancy.

	or some other person thereto.	
156.	(1) Subject to the provisions of the Act and these Articles any person who is not a Retiring Director shall be eligible for appointment to the office of the Director at any General Meeting if he or some Member intending to propose him has, at least fourteen (14) clear days before such meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office as the case may be, along with a deposit of such sum as may, from time to time, be prescribed by the law as security deposit, which shall be refundable only if the candidate in respect of whom the deposit is made has duly been elected as Directors.	Notice of candidature for office of Directors.
	(2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Sub-Clause (1) of this Article signifying candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director if appointed.	
	(3) On receipt of the notice referred to in this Article the Company shall inform its Members of the Candidature of that person for the office of a Director or of the intention of a Member to propose such person as a candidate for that office by serving individual notice on Members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the city, town or village in which the Registered Office of the Company is situate of which one is published in the English language and the other in the regional language.	
	(4) A person other than; (a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or (b) an additional or alternate Director, or a person filling a casual vacancy in the office of a Director, appointed as Director or re-appointed as an additional or Alternate Director, immediately on the expiry of his term of office, or (c) a person named as Director of the Company under these Articles as first registered; shall not act as a Director of the Company unless he has within thirty (30) days of appointment signed and filed with the Registrar, his consent in writing to act as such Director.	
157.	At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made, has first been agreed to by such meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection so moved is passed no provision for the automatic reappointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.	Individual Resolution for Directors appointment.
	(1) The Company may, subject to the provisions of the Act and these Articles remove any Director before the expiry of his period of office.	Removal of Directors
	(2) Special notice shall be given, of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
	(3) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.	
	(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company (not exceeding a reasonable length) and requests its notification to the Members of the Company, the Company shall unless the representation is received by it too late for it to do so; (a) in the notice of the resolution given to the Members of the Company state the fact of the representation having being made; and (b) send a copy of the representation to every Member of the Company and if a copy of the representation is not sent as aforesaid because it has been received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the	

	representation shall be read out at the meeting. Provided that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.	
	(5) A vacancy created by the removal of Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another Director in his place by the meeting at which he is removed provided special notice of the intended appointment has been given under sub-clause (2) of this Article 159. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.	
	(6) If the vacancy is not filled under Sub-Clause (5) it may be filled as casual vacancy in accordance with the provisions of the Act and all the provisions of the Act and the rules thereunder shall apply accordingly.	
	(7) A Director who was removed from office under this Article shall not be reappointed as Director by the Board of Directors.	
	(8) Nothing contained in this Article shall be taken:	
	(a) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or	
	(b) as derogating from any power of the Company to remove a Director, which may exist apart from this Article 159.	
	MEETING OF DIRECTORS	
158.	The Company shall hold its first meeting of the Board of Directors within thirty (30) days of the date of incorporation of the Company. The Directors may meet together as a Board from time to time and shall hold a minimum number of four (4) meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.	Meeting of Directors
159.	Notwithstanding anything contrary contained in the Articles of Association of the Company may, in pursuance of and subject to compliance of provisions of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the MCA, SEBI or of any competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Act, or by the rules, regulations made thereunder, from time to time, allow the Member(s) of the Company to participate in the General Meeting(s) of the Members through any type of electronic mode like video conferencing etc. and the Members so participating shall be deemed to be present in such General Meeting (s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard.	Meetings by electronic mode
	For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued / to be issued from time by MCA, SEBI or any other competent authority(ies) in this regard.	
160.	A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Notice of not less than seven (7) days shall be issued in respect of every meeting of the Board in writing to every Director for the time being in India and at his usual address to the Company and to every other Director as may be required under relevant provisions of the Act. Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at such meeting of the Board.	When meetings to be convened and notice thereof.
161.	Subject to the provisions of the Act, the quorum for a meeting of the Board of Directors shall be one third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time, and any fraction contained that one-third being rounded off as one) or two Directors, present in person or attending through any type of electronic mode like video conferencing, whichever is higher, provided that where at any time the number of interested Directors exceeds, that is to say, the number of Directors, who are not interested and are present at the meeting, not being less than two, shall be quorum during such meeting. A meeting of the Directors for the time being at which quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors	Quorum.

	generally.	
162.	If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned until such date and at such time and place as the Chairman may appoint and in default of such appointment to the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place or to such day, time and place as the Directors present may determine.	Adjournment of meeting for want of quorum.
163.	The Board shall elect one of its Members to be the Chairman of the Board and also elect one of its Members to be Vice-Chairman of the Board and the Board shall determine the period for which each of them is to hold such office.	Appointment of Chairman and Vice Chairman.
164.	All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of the Directors the Chairman be not present at the time appointed for holding the same, then in that case, the Vice-Chairman if present, shall be the Chairman of such meeting, and if the Vice-Chairman be not present, then in that case, the Directors shall choose one of their Member then present to preside at the meeting.	Who to preside at meeting at board.
165.	Questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how to be decided (casting vote)
166.	Subject to the provisions of the Act and these Articles the Directors may delegate any of their powers to a committee consisting of such Member or Members of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes, but every committee so formed shall, in the exercise of the powers so delegated to it confirm to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as it done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any Member or Members of their body constituting a committee appointed by the Board in terms of these Articles and may pay the same. The Company shall constitute the following Committees as and when required under provisions of the Act: a) Corporate Social Responsibility Committee as may be required under Section 135 of the Act. b) Audit Committee as may be required under Section 177 of the Act. c) Nomination and Remuneration Committee and Stakeholders Relationship as required under Section 178 of the Act. The composition and duties of the aforesaid committees shall be as may be prescribed under the Act and rules made there under.	Directors may appoint committee.
167.	The meetings and proceedings of any such committee consisting of two or more Directors shall be governed by the provisions herein contained in respect of the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Articles.	Meeting of Committees how to be convened.
168.	(1) Subject to the provisions of Section 174 of the Act, a resolution passed by circular without a meeting of the Board or a committee of the Board appointed under these Articles, shall subject to the provisions of sub clause (2) hereof, and the Act, be as valid and effectual as resolution duly passed at meeting of the Board or of a committee duly called and hold.	Resolution by Circular.
	(2) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the Members of the Committee then in India (not being less in number than the quorum requisite for a meeting of the Board of the Committee as the case may be) and to all other Directors or Members of the Committee at their usual address in India by hand delivery, post, courier or prescribed electronic mode and has been approved by majority of the Directors or Members of the Committee as are entitled to vote on the Resolution.	
	(3) Subject to the provisions of the Act, statement signed by the Managing Director or other person authorized in that behalf by the Directors certifying the absence from India of any Directors shall for the purposes of this Article be conclusive evidence of the facts stated therein.	
169.	Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting	Act of Board or Committee valid notwithstanding defect

	as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were or was disqualified, or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, may be as valid as if every such person had been duly appointed and was qualified to be a Director, provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have terminated.	in appointment.
170.	The Company shall cause minutes of the meeting of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings of the meeting including the following:	Minutes of proceedings of Board of Directors and Committees to be kept.
	(i) The names of the Directors present at the meeting of the Board of Directors or any Committee thereof;	
	(ii) All orders made by the Board of Directors;	
	(iii) All resolutions and proceedings of meetings of the Board of Directors and Committees thereof;	
	(iv) In the case of each resolution passed at a meeting of the Board of Directors or Committee thereof the names of Directors if any, dissenting from or not concurring in the resolution.	
171.	All such minutes shall be signed by the Chairman of the Concerned meeting or by the person who shall preside as Chairman at the next succeeding meeting and all the minutes purported to be so signed shall for all actual purposes whatsoever be prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meetings at which the same shall appear to have taken place.	By whom minutes to be signed and the effect of minutes recorded.
172.	(1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise, and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Act or by the Memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or tiling the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles of in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.	General Powers of Directors.
	(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	
173.	(1) Subject to the provisions of Section 180 of the Act, the Board of Directors shall not exercise the following powers except with the consent of the Company accorded by a special resolution, namely: — (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. Explanation. —For the purposes of this Article 175(1) — (i) "undertaking" shall mean an undertaking in which the investment of the Company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the Company during the previous financial year; (ii) the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year; (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation; (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its Paid-Up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of	Consent of company necessary for the exercise of certain powers.

		business. Explanation.—For the purposes of this Article 175 (1) (c), the expression "temporary loans" means loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature; (d) to remit, or give time for the repayment of, any debt due from a Director.	
	(2)	Every special resolution passed by the Company in the General Meeting in relation to the exercise of the powers referred to in Article 175 (1) (c) shall specify the total amount up to which monies may be borrowed by the Board of Directors.	
174.	(1)	Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and it shall do so only by means of resolutions passed at meetings of the Board namely: —	Powers exercised at meetings Board.
		(a) to make calls on shareholders in respect of money unpaid on their Shares; (b) to authorize buy-back of Securities under Section 68 of the Act; (c) to issue Securities, including Debentures, whether in or outside India; (d) to borrow monies; (e) to invest the funds of the Company; (f) to grant loans or give guarantee or provide security in respect of loans; (g) to approve financial statement and the Board's report; (h) to diversify the business of the Company; (i) to approve amalgamation, merger or reconstruction; (j) to take over a company or acquire a controlling or substantial stake in another company; (k) any other matter which may be prescribed;	
		provided that the Board may, by a resolution at a meeting delegate to any committee of Directors or the Managing Director or any other principal office of the Company or to a principal officer of any of its branch offices, the powers specified in sub clause (d) to (f) of this Article 176 (1) to the extent specified below, on such conditions as the Board may prescribe.	
	(2)	Every resolution delegating the power referred to in, Article 1746 (1) (d) shall specify the total amount up to which loans may be borrowed from time to time by the delegate, provided however, that where the Company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit, or other accounts, the day to day operation on overdraft cash credit or other account, by means of which the arrangement as made is actually availed of shall not require the sanction of the Board.	
	(3)	Every resolution delegating the power referred to in Article 1746 (1) (e) shall specify the total amount up to which the funds may be invested and the nature of the investments which may be made by the delegate.	
	(4)	Every Resolution delegating the power referred to in Article 1746 (1)(f) above, shall specify the total amount outstanding at any time made by the delegate, the purpose for which the loans may be made and the maximum amount of loans which may be made.	
	(5)	Nothing contained in this Article shall be deemed to affect the right of the Company to, in a General Meeting, impose restrictions and conditions on the exercise by the Board of any of the powers referred above.	
175.		Without prejudice to the powers conferred by Articles, subject to the approval of the Members where ever required, the Directors shall be entitled to exercise the following powers as may be delegated by the Board respectively to such Director(s), from time to time, that is to say power:	Certain powers of Board.
	(1)	To pay all costs, charges and expenses preliminary and incidental to the promotion establishment and registration of the Company.	To pay preliminary any promotional costs and charges.
	(2)	To pay and charge to the capital of the Company any commission or interest lawfully payable thereabout under the relevant provisions of the Act and Articles.	To pay commission and interest.
	(3)	Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors	To acquire property.

	may believe or may be advised to be reasonably satisfactory.	
(4)	At their discretion and subject to the provision of the Act to pay for any property or rights required, by or services rendered to the Company, either wholly or partly in cash, or in Shares, bonds, Debentures, debenture-stock, mortgage or other Securities of the Company, and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, Debentures, debenture stock, mortgage or other Securities may be either specifically charged upon all or any part of the property of the Company and its uncalled or not so charged.	To pay for property in cash debentures or otherwise.
(5)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell assign, surrender or discontinue any policies of effected in pursuance of this power.	To insure properties of the Company.
(6)	To open accounts with any bank or bankers or with any company or firm and to pay money into and draw money from any such amount from time to time as the Directors may think fit.	To open account with Bank.
(7)	To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the Property of the Company and its unpaid capital for the time being or in such other manner as they think fit subject to the necessary approvals.	To secure contracts by mortgage, etc.
(8)	To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.	To attach conditions as to transfer of any shares.
(9)	To accept from any Member, on such terms and conditions as may be agreed, a surrender of his shares or stock or any part thereof, so far as may be permissible by any law for the time being in force.	To accept surrender of Shares.
(10)	To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.	To Appoint trustees.
(11)	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise, concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or of any claims or demands by or against the Company.	To bring and defend suits and legal proceedings.
(12)	To refer any claims or demand by or against the Company or any dispute or difference to arbitration and observe, perform and execute and awards made thereon.	To refer to arbitration.
(13)	To act on behalf of the Company in all matters relating to bankrupts and insolvents.	To act in insolvency matters.
(14)	To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demand of the Company.	To give receipts.
(15)	To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purposes.	To authorize acceptance.
(16)	Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such securities and other investments (not being shares of the Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments provided that all investments shall be made and held by the Company in its own name, and within the limits permitted by the Members and under the Act.	To invest money.
(17)	To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed.	To execute Mortgage.
(18)	To distribute by way of bonus, amongst the staff of the Company, a part of	To distribute bonus.

	the profits of the Company and to give to any officer or other persons employed by the Company, a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.	
(19)	Subject to the provisions of the Act, to give to any officer or other person employed by the Company, an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company.	Sharing profits.
(20)	To provide for the welfare of employees or ex-employees of the Company and its Directors or ex-Directors and the wives, widows, and families and the dependents of such persons, by building or contributing to the building of houses, dwelling or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payment or by creating and from time to time, subscribing or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other forms of assistance, welfare or relief as the Directors shall think fit, and to subscribe or contribute or otherwise to assist to or guarantee money to charitable, benevolent, religious, scientific, national, public or any other institutions objects or purposes or for any exhibition.	To provide for welfare of employees and to subscribe to charitable and other funds.
(21)	Before recommending any dividend, to set aside out of the profits of the Company, such sums as they may think proper for depreciation or to create a Depreciation Fund, Insurance Fund, General Reserve, Reserve Fund, Sinking Fund or any special or other fund or funds or accounts or accounts to meet contingencies, or to pay redeemable preference shares, Debenture or debenture stock or special dividends or for equalizing dividends, or for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes (including the purposes referred to in the last two preceding sub-clauses) as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the Act and these Articles) as the Directors may think fit from time to time to deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund appropriated out of the net profits in the business of the Company or in the purchase or repayment of redeemable preference shares, Debentures or debenture-stock and that without being bound to keep the same separately from the other assets, and without being bound to pay or allow interests, on the same, with power however to the Director at their discretion to apply or allow interests on the same, with power however to the Directors at their discretion to allow to the credit of such fund, interest at such rate as the Directors may think proper.	To create depreciation and other funds.
(22)	Subject to the provisions of the Act, to appoint and at their discretion remove or suspend managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances, and also without prejudice foregoing, from time to time, provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in following sub-clauses (24), (25), (26) and (27) of this Article 177, shall be without prejudice to the general powers conferred by this sub-clause (22) of Article 177.	To appoint employees.
(23)	To comply with the requirements of any local law which the Company is not bound to comply with but which in their opinion it shall be in the interests of the Company necessary or expedient to comply with.	To comply with local laws.

	(24) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any such Local Board, or any managers or agents and to fix their remuneration.	Local Board.
	(25) Subject to the provisions of the Act and the Articles, and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors and to authorize the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act not withstanding such vacancies therein and any such appointment or delegation under sub clause (24) of this Article 178, may be made on such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any persons so appointed and may annul or vary any such delegation.	Delegation
	(26) At any time and from time to time by a power of attorney authorize any person or person to be the attorney or attorneys of the Company, for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the power which may be exercised only by the Board of Directors at a meeting of the Board under the Act or the Articles of by the Company in General Meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the member or any of the members of any Local Board, established as aforesaid or in favour of any Company, or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any body of persons whether nominated directly or indirectly by the Board of Directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board of Directors may think fit, and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them.	Power of Attorney.
	(27) Subject to the provisions of the Act and these Articles, to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company, or fluctuating body of persons as aforesaid.	To delegate.
	(28) Subject to the provisions of the Act and these Articles, for or relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.	To enter into contracts, etc.
	KEY MANAGERIAL PERSONS	
176.	Subject to the provisions of Section 203 of the Act and rules made thereunder and/or these Articles, as applicable, (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.	Power to appoint Key Managerial Persons.
177.	Subject to the provisions of the Act and these Articles, the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall not while he or they continue to hold that office, be subject to retirement by rotation but he or they shall, subject to the provisions of any contract between him or them and the Company be subject to the same provisions as to resignation and removal as the other Director of the Company and he or they shall *ipso facto* and immediately cease to be Managing Director or Managing Directors or Whole time Director or Whole time Directors if he or they cease to hold the office of Director from any cause.	What provisions the Managing and Whole time Directors shall be subject to.
178.	The remuneration of the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors (subject to provisions of the Section 197 and Schedule V of the Act) shall be in accordance with the terms of his or their contract with the Company.	Remuneration of Managing Director and whole time Director

179.	Subject to the provisions of the Act and to the terms of any Resolution of the Company in General Meeting or of any Resolution of the Board and to the term of any contract with him or them, the Managing Director or Managing Directors shall have substantial powers of management subject to the superintendence, control and direction of the Board of Directors.	Power and Duties of Managing Director.
	SECRETARY	
180.	The Directors shall appoint a whole-time Secretary of the Company possessing the prescribed qualification for such term, at such remuneration and upon such conditions as they may think fit and any secretary so appointed may be removed by them. The main functions of the Secretary shall be the responsibility for maintaining records and Registers required to be kept under the Act and these Articles, making the necessary returns to the Registrar of Companies under the Act and these Articles and for getting the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary notices to the Members, preparing the agenda of meetings, issuing notices to Directors, preparing minutes of meeting of Members and of Directors and of any committee of Directors and maintaining minute books and other statutory documents, and he shall carry out and discharge such other functions and duties as the Directors or the Managing Director may from time to time require him to do so.	Secretary.
	REGISTERS, BOOKS AND DOCUMENTS	
181.	(1) Company shall maintain all Registers, books and documents as required by the Act or these Articles including the following, namely :	Registers Books and Documents.
	(a) Register of Members; (b) Register of Debenture Holders; (c) Register of other Security Holders; (d) Register of Securities/ Shares bought back; (e) Register of Charges; (f) Register of Directors, key managerial personnel; (g) Register of loans, investments, guarantees and securities; (h) Register of Investments not held by the Company in its own name; (i) Register of contracts, arrangements in which the directors are interested; (j) Register and Index of beneficial owners; (k) Books of Accounts; (l) All returns and forms filed with the Registrar of Companies; (m) Such other statutory registers as may be prescribed under the relevant and applicable provisions of the Act, from time to time.	
	(2) The said Registers, books and documents shall be maintained in conformity with the applicable provisions of the Act and these Articles and shall be kept open for inspection for such persons as may be entitled thereto respectively under the Act and these Articles on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act these Articles and extracts therefrom shall be supplied to those persons entitled thereto in accordance with the provisions of the Act and these Articles.	
	(3) The Company may keep a Foreign Register of Members in accordance with the provisions of the Act. The Directors may from time to time, make such provisions as they may think fit in respect of the keeping of the branch Registers of Members and/or Debenture holders.	
	THE SEAL	
182.	The Board may provide a Seal for the purpose of the Company, and shall have the power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal, if any, for the time being, and the Seal shall never be used except by or under the authority of the Directors or a committee of Directors previously given.	Seal of the Company.
183.	The common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf, and except in the presence of at least one (1) Director and the Secretary or such other person as the Board may appoint for the purpose and who shall sign every instrument to which the seal of the Company is so affixed in their presence. In absence of the Director of the Company, the common Seal of the Company shall be affixed by at least two Authorised Officers of the Company authorized in that behalf and such Authorised Officers shall sign every instrument to which the seal of the	Deeds how executed.

	Company is so affixed in their presence.	
	DIVIDENDS	
184.	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Division of profits.
185.	Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members, such interim dividends during the financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared by the Company.	Interim Dividend.
186.	(i) The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
187.	(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 Article 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.	
188.	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.	
189.	(i) Any dividend, interest or other monies payable in cash in respect of Shares maybe 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.	
190.	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.	
191.	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.	
192.	The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. If the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account". Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investor Education and Protection Fund". Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with the provisions of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid Dividends.	
	RESERVES AND CAPITALISATION	
193.	The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which	Reserves

	shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit.	
194.	(i) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in Article 196(ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards— (A) paying up any amounts for the time being unpaid on any Shares held by such Members respectively; (B) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully Paid-Up, to and amongst such Members in the proportions aforesaid; (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares; (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	Capitalization
195.	(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 capitalized thereby, and all allotments and issues of fully paid Shares, if any; and (b) generally do all acts and things required to give effect thereto. (ii) The Board shall have power— (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and (b) to authorize 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 capitalization, 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 capitalized, 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.	
	ACCOUNTS	
196.	(1) The Company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of itsbranch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:	Books of Account to be kept.
	Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide, and when the Board of Directors may decide the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.	
	(2) If the Company shall have branch office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns, made up to date	

	at intervals of not more than three months, shall be sent by the branch office of the Company to its Registered Office or other place in India, as the Board thinks fit where the main books of the Company are kept.	
	(3) All the aforesaid books shall give a true and fair picture of the financial position of the Company.	
197.	The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or, any of them, shall be open to the inspection of Members not being Directors and no Member (not being Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorized by the Company in General Meeting.	Inspection by Member of accounts and books of the Company.
198.	At every Annual General Meeting the Board shall lay before the Company, financial statements along with the reports thereto, prepared in accordance with the provisions of the Act and such financial statements shall comply with the requirements of the Act so far as they are applicable to the Company.	Financial Statements to be furnished at General Meeting.
199.	There shall be attached to every Financial Statements laid before the Company a Report by the Board of Directors complying with the provision of the Act.	Board Report.
200.	The Company shall comply with the requirements of the Act and make necessary arrangement for of Section 136 of the Act.	Right of Members to copies of Financial Statements
	ANNUAL RETURNS	
201.	The Company shall prepare and file the requisite annual returns in accordance with the provisions of the Act.	Annual Return.
202.	Once, at least in every year, the books of account of the Company shall be examined by one or more auditors in accordance with the relevant provisions contained in that behalf in the Act and the rules thereunder.	Accounts to be Audited.
203.	The appointment qualifications, powers, rights, duties and remuneration of the auditors shall be regulated by and in accordance with the relevant provisions of the Act.	Appointment powers, etc. of Auditors.
204.	Every account when audited and approved by the Members in a General Meeting, shall be conclusive except as regards any error discovered therein within three (3) months after the approval thereof. Whenever any such error is discovered within the aforesaid period, the account shall forthwith be corrected and thenceforth shall be conclusive.	Accounts when audited and approved to conclusive except as to errors discovered within.
	DOCUMENTS AND SERVICE OF DOCUMENTS	
205.	(1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the Company) may be served or sent by the Company or to any Member either personally or by sending it by post to him at his registered address or (if he has no registered address in India) at the address, if any within India supplied by him to the Company or by such electronic mode as may be prescribed under the Act.	Manner of Service.
	(2) Where a document is sent by post:	
	(a) service thereof shall be deemed to be affected by properly addressing, preparing and posting a letter containing the notice, provided that where a Member, has intimated to the Company in advance that documents should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company, a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected, unless it is sent in the manner intimated by the Member; and	
	(b) Such service shall be deemed to have been effected :	
	(i) in the case of a notice of a meeting, at the expiration of forty eight (48) hours after the letter containing the notice is posted; and	
	(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.	
206.	If a Member has no registered address in India and has supplied to the Company an address within India for the giving of notice to him, a document advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.	Service on Members having no registered address.
207.	All document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or Assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the	Service on person acquiring shares on death or insolvency of Member.

	persons claiming to be so entitled or (until such as address has been so supplied) by serving the document in any manner been so supplied) by serving the documents in any manner in which the same might have been served if the death or insolvency has not occurred.	
208.	Subject to the provisions of the Act and these Articles, notices of the General Meetings shall be given;	Persons entitled to notice of general meetings.
	(i) to all Members of the Company as provided and in the manner authorized by these Articles;	
	(ii) to the persons entitled to a Share in consequence of the death or insolvency of a Member.	
	(iii) to the Auditor or Auditors for the time being of the Company, in any manner authorized by these Articles.	
209.	Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the district in which the registered office of the Company is situated.	Advertisement.
210.	Every person who by operation of a transfer, or other means whatsoever, becomes entitled to any Share, shall be bound by every document in respect of such Share which previously to his name and address being entitled on the Register, has been duly served on or sent to the person from whom he derives his title to such Share.	Members and by document given to previous holders.
211.	Any notice to be given by the Company shall be signed by the Managing Director or Secretary or by such Director or officer as the Directors may appoint and such signature may be written or printed or lithographed.	Notice by company and signature thereto.
212.	All notices to be given on the part of the Members to the Company shall be kept at or sent by post under certificates of posting or by registered post to the registered office of the Company.	Service of notice by Members.
	AUTHENTICATION OF DOCUMENTS	
213.	Save as otherwise expressly provided in the Act or these Articles, a document or proceedings requiring authentication by the Company may be signed by a Director the Managing Director or an authorized officer of the Company and need not be under its Seal.	Authentication of documents and proceedings
	RECONSTRUCTION	
214.	On any sale of an undertaking of the Company, the Board or a liquidator on a winding up, may if authorized by a special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the liquidator (in a winding up) may distribute such Shares or Securities or any other property of the Company amongst the Members without realization, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of cash, Shares or other Securities, benefit or property otherwise than in accordance with the strict legal rights of the Members or contributories of the Company and for the valuation of such Securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bond to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, as are incapable of being waived or excluded by these Articles.	Reconstruction.
215.	If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively; and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to rights of the holders of Shares issued upon special terms and conditions.	Distribution of Assets.
216.	(1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, but subject to the	Distribution of assets in specie or kind.

	rights attached to any preference shares capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction of a special resolution, but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators, with the like sanction shall think fit.	
	(2) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal right of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any such division shall be determined, any contributory who would be prejudiced hereby shall have right to dissent and ancillary rights as if such determination were a special resolution passed in accordance with the relevant provisions of the Act.	
	(3) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten (10) days after the passing of the special resolution, by notice in writing, intimate to the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.	
217.	A special resolution sanctioning a sale to any other Company duly passed under the relevant provisions of the Act may, subject to the provisions of the Act, in like manner as aforesaid determined that any Shares or other consideration receivable by the liquidator be distributed amongst the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.	Right of shareholders in case of the Sale.
	SECRECY CLAUSE	
218.	(1) Every director, manager, auditor, trustee, Member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customers and the state of the accounts with individuals and in realization thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy Clause.
	(2) No Member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Director or the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.	
	INDEMNITY AND RESPONSIBILITY	
219.	Every officer, Director and key managerial personnel 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.	Directors and other right to indemnity.
220.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects or defaults of any other Director or officer or for joining in any omission or other act for conformity or for any loss or expenses suffered by the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankrupt, insolvency, or tortious act of any person, company or corporation, with whom any moneys, securities or effects' shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or	Directors and others not responsible for acts of others.

	damages, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
221.	The Company shall have among its objective the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the customers, employees, shareholders, society and the local community.	Social objects.
222.	Whenever in the Act, it has been provided that the Company shall have any right privileges or authority or that the Company could carry out any transaction only if the Company is authorized by its articles, then and in that case this Article thereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.	General Power.
	CORPORATE SOCIAL RESPONSIBILITY	
223.	(1) The Company under the requisite provisions of the Act, shall undertake such social activities as may be required, and for that purpose, shall constitute a Corporate Social Responsibility Committee of the Board consisting of three (3) or more Directors, out of which at least one (1) Director shall be an Independent Director. (2) The Corporate Social Responsibility Committee shall,— (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as may be specified in the Act; (b) recommend the amount of expenditure to be incurred on the activities referred to in Article 225 (2) (a); and (c) monitor the Corporate Social Responsibility Policy of the Company from time to time. (3) The Board of Directors of shall,— (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Corporate Social Responsibility Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed under the Act; and (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the company. (4) The Board shall ensure that the company spends, in every financial year, at least two per cent (2%) of the average net profits of the company made during the three (3) immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. (5) The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.	Corporate Social Responsibility.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been attached to the copy of this Red Herring Prospectus which has been filed with the RoC (except for such contracts and documents executed after the filing of this Red Herring Prospectus). Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. on all Working Days and will also be available on the website of our Company at https://www.carraroindia.com/investors/investor-information/other-documents from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date, except for such contracts and documents that will be entered into or executed subsequent to the completion of the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act, 2013 and other applicable law.

Material contracts to the Offer

1. Offer Agreement dated August 23, 2024, entered into among our Company, the Promoter Selling Shareholder, and the BRLMs and the amendment thereto dated December 5, 2024;

2. Registrar Agreement dated August 23, 2024 entered into among our Company, the Promoter Selling Shareholder, and the Registrar to the Offer;

3. Cash Escrow and Sponsor Bank Agreement dated December 16, 2024 entered into among our Company, the Promoter Selling Shareholder, the BRLMs, the Syndicate Member, Banker(s) to the Offer, and the Registrar to the Offer;

4. Share Escrow Agreement dated December 16, 2024 entered into among our Company, the Promoter Selling Shareholder, and the Share Escrow Agent;

5. Syndicate Agreement dated December 16, 2024 entered into among the members of the Syndicate, our Company, the Promoter Selling Shareholder, and the Registrar to the Offer; and

6. Underwriting Agreement dated [●] entered into among our Company, the Promoter Selling Shareholder, the Registrar to the Offer and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association;

2. Certificate of incorporation dated April 11, 1997, issued by the Registrar of Companies, NCT of Delhi and Haryana;

3. Certificate of incorporation dated September 3, 1997 issued by the Registrar of Companies, NCT of Delhi and Haryana, endorsed to note the conversion of the Company into a deemed public limited company, with effect from September 3, 1997;

4. Certificate of registration of the order of the Company Law Board dated August 14, 2008, issued by the Registrar of Companies, Maharashtra at Pune pursuant to the change in the registered office of our Company from the state of Delhi to the state of Maharashtra;

5. Fresh certificate of incorporation dated March 16, 2009 issued by RoC to our Company, pursuant to re-conversion of our Company into a private limited company and change in the name of our Company from "Carraro India Limited" to "Carraro India Private Limited";

6. Fresh certificate of incorporation dated August 12, 2024 issued by the RoC pursuant to conversion of our Company from a private limited company to a public limited company and change in the name of our Company from "Carraro India Private Limited" to "Carraro India Limited";

7. Resolutions of our Board dated August 19, 2024, authorizing the Offer and other related matters;

8. Consent letter dated December 16, 2024 from and resolution dated July 24, 2024 passed by the board of directors of the Promoter Selling Shareholder for participation in the Offer for Sale;

9. Resolution of our Board dated August 19, 2024, read with the resolution of our Board dated December 16, 2024 taking on record the consent of the Promoter Selling Shareholder to participate in the Offer for Sale;

10. Resolution of our Board dated August 23, 2024, approving the Draft Red Herring Prospectus;

11. Resolution of our Board dated December 16, 2024, approving this Red Herring Prospectus;

12. Copies of our annual reports for the preceding three Fiscals;

13. Resolution of our Audit Committee dated December 16, 2024, approving the KPIs of our Company;

14. The examination report dated December 2, 2024 of our Statutory Auditors on our Restated Consolidated Financial Information;

15. The report dated December 2, 2024 of our Statutory Auditors on the statement of possible special tax benefits available to our Company and our Shareholders;

16. Consent letter dated December 16, 2024 from Deloitte Haskins & Sells LLP to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated December 2, 2024 on our Restated Consolidated Financial Information; (ii) report dated December 2, 2024 on the statement of possible special tax benefits available to our Company and our Shareholders, included in this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the US Securities Act;

17. Consent letter dated December 5, 2024 from J.C. Bhalla & Co., Chartered Accountants, the independent chartered accountants, to include their name in this Red Herring Prospectus as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of various certificates issued by them in their capacity as the independent chartered accountant;

18. Consent letter dated December 5, 2024, from Avinash Pawar, Chartered Engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of certifications issued by him in their capacity as an independent chartered engineer;

19. Certificate dated December 16, 2024, from J.C. Bhalla & Co., Chartered Accountants, certifying certain key performance indicators of our Company;

20. Certificate dated December 16, 2024 from J.C. Bhalla & Co., Chartered Accountants on basis of offer price and other financial information.

21. Certificate dated December 16, 2024 from J.C. Bhalla & Co., Chartered Accountants weighted average price and cost of acquisition of shares.

22. Certificate dated December 16, 2024 from J.C. Bhalla & Co., Chartered Accountants on financial indebtedness.

23. Consent letters of bankers to our Company, bankers to the Offer, Syndicate Member, the BRLMs, Registrar to the Offer, legal counsel to the Company as to Indian law, Directors, and Company Secretary and Compliance Officer to act in their respective capacities;

24. Industry report titled "*Strategic Analysis of the Indian Agricultural Tractor and Construction Vehicle Component Market*" dated December 5, 2024 from Markets and Markets, and the consent letter dated December 5, 2024 from Markets and Markets;

25. Share purchase agreement dated June 26, 2024 entered into amongst Carraro Technologies India Private Limited, Carraro International S.E., and our Company and valuation report issued by Rathi Rathi and Co., Chartered Accountants dated June 20, 2024;

26. Name, logo and trademark license agreement dated March 31, 2013 entered into between our Company and one of our Corporate Promoters, Carraro S.p.A. read with amendment agreement dated April 5, 2013;

27. Intellectual property agreement dated October 1, 2023 entered into amongst Carraro S.p.A. and our Company;

28. Information technology support service agreement dated September 1, 2019 entered into between our Company and Carraro S.p.A. read with amendment agreement dated January 7, 2020;

29. Advisory services agreement dated April 1, 2022 entered into between Carraro S.p.A. and Carraro Drive Tech Italia S.p.A., Siap S.p.A., Driveservice S.r.l., Carraro Argentina S.A., Carraro North America Inc., Carraro Technologies India Private Limited, Carraro China Drive Systems Co. Limited and our Company;

30. Intercompany engineering service agreement dated October 1, 2023 entered into between one of our Corporate Promoters, Carraro S.p.A. and our Company;

31. Sub license agreement dated June 30, 2023 entered into between one of our Group Companies, Carraro Drive Tech Italia S.p.A., and our Company;

32. Board resolution dated August 19, 2024 and resolution of our Shareholders passed at their meeting held on August 20, 2024 approving the remuneration payable to Balaji Gopalan;

33. Board resolution dated August 19, 2024 and resolution of our Shareholders passed at their meeting held on August 20, 2024 approving the remuneration payable to Sudhendra Mannikar;

34. Appointment letter dated August 2, 2024, read with addendum dated August 19, 2024, board resolution dated August 19, 2024 and resolution of our Shareholders passed at their meeting held on August 20, 2024 approving the remuneration payable to Davide Grossi;

35. Tripartite agreement dated April 15, 2024 among our Company, NSDL and Registrar to the Offer;

36. Tripartite agreement dated August 14, 2024 among our Company, CDSL and the Registrar to the Offer;

37. Due diligence certificate to SEBI from the BRLMs dated August 23, 2024;

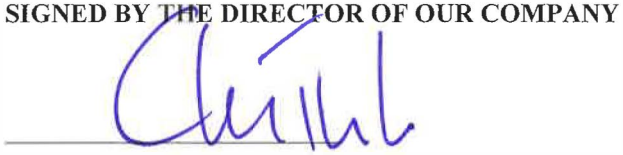
38. In-principle listing approvals each dated October 24, 2024, from BSE and NSE, along with annexures thereto, respectively; and

39. Final observation letter issued by SEBI, bearing reference number SEBI/HO/CFD/RAC-DIL3/P/OW/2024/36977/1 dated November 29, 2024.

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Ettore Francesco Sequi
Chairman and Independent Director

Date: December 16, 2024

Place: Rome, Italy

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Tomaso Carraro
Vice Chairman and Non-Executive Director

Date:December 16, 2024

Place:Campodarsego, Italy

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Balaji Gopalan
Managing Director

Date: December 16, 2024

Place: Pune, India

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Enrico Gomiero
Non-Executive Director

Date: December 16, 2024

Place: Campodarsego, Italy

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Andrea Conchetto
Non-Executive Director

Date: December 16, 2024

Place: Campodarsego, Italy

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

Davide Grossi
Executive Director and Chief Financial Officer

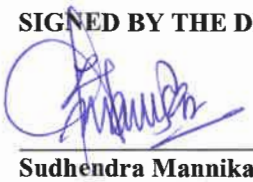
Date: December 16, 2024

Place: Pune, India

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR AND CHIEF OPERATING OFFICER OF OUR COMPANY



Sudhendra Mannikar
Whole-time Director and Chief Operating Officer

Date: December 16, 2024

Place: Pune, India

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Uma Mandavgane
Independent Director

Date: December 16, 2024
Place: Mumbai, India

DECLARATION

I hereby 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 rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, have been complied with, and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kishore Saletore
Independent Director

Date: December 16, 2024

Place: Pune, India

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

We, Carraro International S.E., the Promoter Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Red Herring Prospectus in relation to us, as the Promoter Selling Shareholder and the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, those made or confirmed by or relating to the Company or any other person(s) in this Red Herring Prospectus.

For and on behalf of Carraro International S.E.



Authorised Signatory
Name: Enrico Gomiero

Date: December 16, 2024

Place: Campodarsego, Italy