

This is an abridged prospectus containing salient features of the Red Herring Prospectus dated February 27, 2024 (the “RHP”). You are encouraged to read greater details available in the RHP (Download link: <https://www.sonamachinery.com/investors>). Unless otherwise specified all capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

**THIS ABRIDGED PROSPECTUS CONSISTS OF EIGHT PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**



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Abridged Prospectus)



**SONA MACHINERY LIMITED**

**CIN:** U29256DL2019PLC345856; **Date of Incorporation:** February 12, 2019

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

|                                 |                                       |
|---------------------------------|---------------------------------------|
| <b>Promoters of the Company</b> | <b>VASU NAREN &amp; SHWETA BAISLA</b> |
|---------------------------------|---------------------------------------|

#### Details of Offer to Public

| Type of Issue (Fresh/OFS/ Fresh & OFS) | Fresh Issue Size (by no. of shares or by amount in ₹) | OFS Size (by no. of shares or by amount in ₹) | Total Issue Size (by no. of shares or by amount in ₹) | Issue Under 6(1)/ 6(2)  | Share Reservation                     |                                 |                                  |                             |
|--|---|---|---|---|---------------------------------------|---------------------------------|----------------------------------|-----------------------------|
|  |   |   |   |   | QIB                                   | NII                             | RII                              | Market Maker                |
| Fresh Issue                            | Upto 36,24,000 Equity Shares                          | Nil   | Upto 36,24,000 Equity Shares                          | This issue is being made in terms of regulation 229 and 253(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. | Not more than 17,20,000 equity shares | At least 5,17,000 equity shares | At least 12,05,000 Equity Shares | Upto 1,82,000 Equity shares |

These equity shares are proposed to be listed on NSE Emerge (i.e. SME platform of NSE).

OFS: Offer for Sale

#### Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders

| Name  | Type | No of Shares offered/ Amount in ₹ | WACA in ₹ per Equity | Name | Type | No of Shares offered/ Amount in ₹ | WACA in ₹ per Equity |
|---|------|-----------------------------------|----------------------|------|------|-----------------------------------|----------------------|
| NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES |      |                                   |                      |      |      |                                   |                      |

#### Price Band, Minimum Bid Lot & Indicative Timelines

|  |   |
|--|---|
| Price Band*  | For details of price band, minimum bid lot size, please refer to price band advertisement to be published in all editions of English National Newspaper “Business Standard”, all editions of Hindi National Newspaper “Business Standard” and Delhi edition of “Pratah Kiran” |
| Minimum Bid Lot Size   |   |
| Bid/Offer Open On**  | Tuesday, March 05, 2024   |
| Bid/ Offer Closes On   | Thursday, March 07, 2024  |
| Finalisation of Basis of Allotment (T+1)                     | On or about Monday, March 11, 2024  |
| Initiation of Refunds (T+2)                                  | On or about Tuesday, March 12, 2024   |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or about Tuesday, March 12, 2024   |
| Commencement of trading of Equity Shares (T+3)               | On or about Wednesday, March 13, 2024   |

\*For details of price band and basis of issue price, please refer to price band advertisement and page 72 of the RHP.

\*\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date i.e., Monday March 04, 2024

The Weighted average cost of acquisition of all Equity Shares transacted in the last one year, last eighteen months and three years from the date of RHP is as given below:

| Period                       | Weighted Average Cost of Acquisition (in ₹) | Upper end of the Price Band (₹ 143) is 'X' times the weighted Average cost of Acquisition | Range of acquisition price: Lowest Price – Highest Price (in ₹) |
|------------------------------|---|---|---|
| Last 1 year                  | Nil   | Nil   | 0-0   |
| Last 18 months/ Last 3 years | N/A   | N/A   | N/A   |

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws in the United States, and unless so registered, and 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.

#### RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹ 10/- per equity share. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the BRLM, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "**Basis for Issue Price**" beginning on page 72 of the RHP should not be considered to be indicative of the market price of the Equity Shares after listing. No assurance can be given regarding frequency of trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares 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 the RHP. Specified attention of the investors is invited to the section titled "**Risk Factors**" beginning on page 22 of the Red Herring Prospectus and on page 08 of this Abridged Prospectus.

#### PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the stock exchange, syndicate members, registrar to the issue, share transfer agents, depository participants, stock brokers, underwriters, bankers to the issue, investors' associations or Self Certified Syndicate Banks.

If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLMs or download it from the website of the Stock Exchange i.e. [https://www.nseindia.com/companies-listing/corporate-filings-offer-documents#sme\\_offer](https://www.nseindia.com/companies-listing/corporate-filings-offer-documents#sme_offer) and the BRLM at [www.hemsecurities.com](http://www.hemsecurities.com)

#### PRICE INFORMATION OF BRLM's\*

| Sr. No. | Issue name                           | Name of Merchant Banker | +/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing |
|---------|--------------------------------------|-------------------------|---|---|--|
| 1.      | S J Logistics (India) Limited        | Hem Securities Limited  | 77.36%<br>[0.04%]   | N.A.  | N.A.   |
| 2.      | Siyaram Recyling Industries Limited  |                         | 124.07%<br>[-0.70%]   | N.A.  | N.A.   |
| 3.      | Shanti Spintex Limited               |                         | 9.19%<br>[-0.13%]   | N.A.  | N.A.   |
| 4.      | Shri Balaji Valve Components Limited |                         | 129.25%<br>[1.56%]  | N.A.  | N.A.   |
| 5.      | New Swan Multitech Limited           |                         | 44.47%<br>[2.14%]   | N.A.  | N.A.   |
| 6.      | Harshdeep Hortico Limited            |                         | N.A.  | N.A.  | N.A.   |
| 7.      | Megatherm Induction Limited          |                         | N.A.  | N.A.  | N.A.   |

**Source:** Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

For further details, please refer to price information of past issues handled by BRLM starting on page 192 of the RHP.

|  |   |
|--|---|
| <b>Name of BRLM and contact details (telephone and email id) of each BRLM</b>  | <b>Hem Securities Limited</b><br><b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India<br><b>Tel No.:</b> +91-22-4906 0000<br><b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a><br><b>Contact Person:</b> Ajay Jain  |
| <b>Name of Syndicate Members</b>   | Hem Finlease Private Limited  |
| <b>Name of Market Maker</b>  | Hem Finlease Private Limited  |
| <b>Name of Registrar to the Issue and contact details (telephone and email id)</b>   | <b>MAASHITLA SECURITIES PRIVATE LIMITED</b><br><b>Address:</b> 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, New Delhi, 110034, India.<br><b>Tel. No.:</b> +91-11-45121795<br><b>Investor Grievance ID:</b> <a href="mailto:investor.ipo@maashitla.com">investor.ipo@maashitla.com</a><br><b>Contact Person:</b> Mukul Agrawal<br><b>Website:</b> <a href="http://www.maashitla.com">www.maashitla.com</a><br><b>SEBI Registration No.:</b> INR000004370<br><b>CIN:</b> U67100DL2010PTC208725 |
| <b>Name of Statutory Auditor</b>   | <b>M/s. R K Jagetiya &amp; Co.,</b> Chartered Accountants (FRN: 146264W)  |
| <b>Name of Credit Rating Agency and the rating or grading obtained, if any</b>   | Not Applicable  |
| <b>Name of Debenture trustee, if any.</b>  | Not Applicable  |
| <b>Self-Certified Syndicate Banks</b>  | The list of banks is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> ;   |
| <b>Non-Syndicate Registered Brokers</b>  | You can submit Bid cum Application Forms in the Issue to Non-Syndicate Registered Brokers at the Non-Syndicate Broker Centres. For further details, see section titled “ <b>Issue Procedure</b> ” beginning at page 209 of the RHP  |
| <b>Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)</b> | <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>   |

#### PROMOTERS OF THE ISSUER COMPANY

| Sr. No. | Name          | Individual/ Corporate | Experience & Educational Qualification   |
|---------|---------------|-----------------------|--|
| 1       | Vasu Naren    | Individual            | Aged 28 years is the Promoter and Chairman and Managing Director of our Company. He has been on the Board of Directors of our Company since incorporation. He has completed his Senior Secondary from Central Board of Secondary Education in 2013. He is having an overall experience of around 08 years in the milling equipment manufacturing industry. He joined the family business i.e. M/s Sona Foods India in year 2015 and is looking after the overall business operations of the company including sales, marketing, design, quality etc. Under his guidance our Company has witnessed continuous growth and has been instrumental in the growth of our business. |
| 2       | Shweta Baisla | Individual            | Aged 29 years is the Promoter and Whole time Director & CFO of our Company. She has been on the Board of Directors of our Company since 2022. She possesses 2 years of experience in the said industry. She has completed her Master of Business Administration from University of Delhi, in year 2021. She primarily looks after the legal and financial planning and accounts of the company.  |

## BUSINESS OVERVIEW AND STRATEGY

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

### Product/Services offerings:

The company's product portfolio comprises of various equipments including support services for all the equipments manufactured and supplied by the company. As on the date of this Red Herring Prospectus, we are manufacturing and supplying agro-processing equipments under various categories like cleaning, grading, blending, material handling etc.

**Geographies Served:** Currently, we sell our products to more than 15 states & Union Territories in India of which majority portion of the revenue comes from the state of Uttar-Pradesh followed by Chhattisgarh & Bihar. We had also exported our products to countries such as Nepal, Kenya, Nigeria, Bangladesh etc. Our revenue from exports for the period ending November 30, 2023 and fiscal year 2023, 2022 and 2021 was ₹ 70.55 Lakhs, ₹ 252.59 lakhs, ₹ 106.66 lakhs and ₹ 13.00 lakhs respectively which constituted 1.12%, 3.12 %, 2.40% and 2.15 % of our revenue from operations for the respective period & fiscal. Our sales from top five geographical regions for the period ending November 30, 2023 & fiscal year ending 2023, 2022 & 2021 comprises of 78.10%, 72.35%, 68.22% & 78.41% of total revenue respectively.

### Key Performance Indicators:

(₹ In Lakhs except percentages and ratios)

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

\*Not Annualised

### Notes:

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

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

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

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

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

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

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

**Industries Served:** We serve diversified agro-processing equipment manufacturer.

**Revenue segmentation in terms of top 10 clients** – Notable portion of our revenues has been dependent upon few customers. For instance, our top ten customers for the four months' period ended July, 2023, accounted for 21.91% of our revenue from operations for the said period.

**Intellectual Property, if any:** The trademark & logo which we are using for our business is in the name of our Promoter, Vasu Naren and the same is in opposed status with the Registrar of Trademarks in India, under the Trade Marks Act, 1999.

**Market Share:** Not ascertainable

| Manufacturing plant, if any: |   |  |
|------------------------------|---|--|
| Sr. No.                      | Usage                                   | Address  |
| 1.                           | Corporate Office/<br>Manufacturing Unit | F-16 & C-1, Sector A-3, Tronica City, Loni, Ghaziabad – 201103, Uttar Pradesh, India |

**Employee Strength:** As on September 30, 2023, our Company has employed around 390 employees (including semi-skilled staff) at various levels of the Organization.

#### BOARD OF DIRECTORS

| Sr. No. | Name               | Designation<br>(Independent / Whole time / Executive / Nominee) | Experience & Educational Qualification  | Other Directorships  |
|---------|--------------------|---|---|--|
| 1       | Vasu Naren         | Chairman & Managing Director                                    | <b>Experience:</b> 08 Years<br><b>Qualification:</b> Senior Secondary (12 <sup>th</sup> ) | <b>Indian Companies:</b><br>1. Can Engineering Solutions Private Limited<br>2. Sona Food India Private Limited*<br><b>Foreign Companies:</b> Nil |
| 2       | Shweta Baisla      | Whole-time Director & Chief Financial Officer                   | <b>Experience:</b> 02 Years<br><b>Qualification:</b> Master in Business Administration    | <b>Indian Companies:</b> Nil<br><b>Foreign Companies:</b> Nil  |
| 3       | Naman Jain         | Independent Director  | <b>Experience:</b> 07 years<br><b>Qualification:</b> Chartered Accountants                | <b>Indian Companies:</b><br>1. Peach Advisory Private Limited<br><b>Foreign Companies:</b> Nil   |
| 4       | Preet Kumar        | Independent Director  | <b>Experience:</b> 4.5 years<br><b>Qualification:</b> Company Secretary                   | <b>Indian Companies:</b> Nil<br><b>Foreign Companies:</b> Nil  |
| 5       | Akash Kumar Bansal | Independent Director  | <b>Experience:</b> More than 3 years<br><b>Qualification:</b> Chartered Accountant        | <b>Indian Companies:</b> Nil<br><b>Foreign Companies:</b> Nil  |

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

For further details in relation to our Board of Directors, see “Our Management” beginning on page 120 of the Red Herring Prospectus.

#### OBJECTS OF THE ISSUE

**Details of means of finance** – The fund requirements for each of the objects of the Issue are stated as follows:

(₹ In lakhs)

| Sr. No. | Objects of the Issue   | Total estimate cost | Amount deployed till date | Amount to be financed from Net Proceeds | Estimated Net Proceeds Utilization |            |
|---------|--|---------------------|---------------------------|---|------------------------------------|------------|
|         |  |                     |                           |   | FY 2023-24                         | FY 2024-25 |
| 1.      | Funding the Capital Expenditure requirements of our company towards setting up of a new manufacturing unit at Ghaziabad. | 3,041.25            | 150.00                    | 2,891.25                                | 1,350.00                           | 1,541.25   |

| Sr. No. | Objects of the Issue  | Total estimate cost | Amount deployed till date | Amount to be financed from Net Proceeds | Estimated Net Proceeds Utilization |            |
|---------|---|---------------------|---------------------------|---|------------------------------------|------------|
|         |   |                     |                           |   | FY 2023-24                         | FY 2024-25 |
| 2.      | Repayment of the outstanding amount of the Letter of Credit availed by our company for purchase of machinery. | 200.80              | -                         | -                                       | 200.80                             | -          |
| 3       | General Corporate Purpose   | [●]                 | -                         | [●]                                     | [●]                                | [●]        |
|         | <b>Total Net Proceeds</b>   | [●]                 | [●]                       | [●]                                     | [●]                                | [●]        |

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years:** Nil

**Name of monitoring agency, if any -** Not Applicable

**Terms of Issuance of Convertible Security, if any -** Not Applicable

**Shareholding Pattern:**

| Sr. No. | Particulars                  | Pre-Issue number of shares | % Holding of Pre issue |
|---------|------------------------------|----------------------------|------------------------|
| 1.      | Promoters and Promoter Group | 1,00,99,996                | 100%                   |
| 2.      | Public                       | 4                          | Negligible%            |
|         | <b>Total</b>                 | <b>1,01,00,000</b>         | <b>100.00%</b>         |

**Number/amount of equity shares proposed to be sold by selling shareholders, if any. –** Not Applicable

#### RESTATED FINANCIALS STATEMENT

(Amt. in ₹ Lakhs)

| PARTICULARS  | As at the Period/ Year ended |                |                |                |
|--|------------------------------|----------------|----------------|----------------|
|  | November 30, 2023            | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Total income from operations (Net)                                     | 6,275.28                     | 8,096.63       | 4,451.59       | 604.19         |
| Net Profit/(Loss) before tax and extraordinary items                   | 872.59                       | 1,059.29       | 458.27         | 30.55          |
| Net Profit / (Loss) after tax and extraordinary items                  | 647.82                       | 768.36         | 326.47         | 27.81          |
| Equity Share Capital   | 1,010.00                     | 10.00          | 10.00          | 10.00          |
| Reserves and Surplus   | 770.16                       | 1,122.34       | 353.98         | 27.51          |
| Net worth  | 1,780.16                     | 1,132.34       | 363.98         | 37.51          |
| Basic earnings per share (₹)   | 6.41                         | 7.61           | 3.23           | 0.28           |
| Diluted earnings per share (₹)   | 6.41                         | 7.61           | 3.23           | 0.28           |
| Return on net worth (%)  | 36.36%                       | 67.86%         | 89.70%         | 74.14%         |
| NAV per Equity Shares (Based on Actual Number of Shares) (₹)           | 17.63                        | 1,132.34       | 363.98         | 37.51          |
| NAV per Equity Shares (Based on Weighted Average Number of Shares) (₹) | 17.63                        | 11.21          | 3.60           | 0.37           |

## INTERNAL RISK FACTORS:

The below mentioned risks are top 10 risk factors as per the RHP.

1. We have very short span of operating history as company.
2. We generate our major portion of revenue from our operations in certain geographical regions and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.
3. The agriculture sector is seasonal in nature. We experience the effects of seasonality, which may result in our operating results fluctuating significantly and also, reduce our sales.
4. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business, financial condition and results of operations
5. If there are delays in setting up the Proposed Facilities or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or the purchase of plant and machinery for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.
6. Our business is dependent on our manufacturing unit, and the loss or shutdown of operations of our manufacturing unit may have a material adverse effect on our business, results of operations, cash flows and financial condition.
7. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.
8. We do not own the registered office, manufacturing unit and warehouse from which we carry out our business activities. In case of nonrenewal of rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.
9. We have not registered the trademarks which we are using for our business in the name of our company.
10. A significant portion of our revenue is generated from our sales of material handling, milling and cleaning equipments. The loss of customers who purchase these equipments, or a significant reduction in the production and sales of, or demand for said equipments may adversely affect our business, financial condition, results of operations and prospects.

For further details on “Risk Factors” please refer page 22 of the Red Herring Prospectus.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved:

| Name of Entity          | Criminal Proceedings | Tax Proceedings | Action by Statutory and Regulatory Authorities | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigation | Others | Aggregate amount involved (in ₹ Lakhs) |
|-------------------------|----------------------|-----------------|--|---|---------------------------|--------|--|
| <b>Company</b>          |                      |                 |  |   |                           |        |  |
| <i>By Company</i>       | -                    | -               | -  | -   | -                         | 1      | 139.11                                 |
| <i>Against Company</i>  | -                    | -               | -  | -   | -                         | -      | -                                      |
| <b>Directors</b>        |                      |                 |  |   |                           |        |  |
| <i>By Director</i>      | -                    | -               | -  | -   | -                         | -      | -                                      |
| <i>Against Director</i> | -                    | -               | -  | -   | -                         | -      | -                                      |
| <b>Promoters</b>        |                      |                 |  |   |                           |        |  |
| <i>By Promoter</i>      | -                    | -               | -  | -   | -                         | -      | -                                      |
| <i>Against Promoter</i> | -                    | -               | -  | -   | -                         | -      | -                                      |

B. Brief details of top 5 material outstanding litigations against the Company and amount involved: Nil

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any - Nil

D. Brief details of outstanding criminal proceedings against Promoters – Nil

For further details on “Outstanding Litigations And Material Developments” please refer page 180 of the Red Herring Prospectus.

## ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY - NIL

## DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.

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