

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS



(Please scan this QR code to view the RHP)

This is an abridged prospectus containing salient features of the red herring prospectus of CARRARO INDIA LIMITED (the “Company”) dated December 16, 2024 filed with the Registrar of Companies, Maharashtra at Pune (the “RHP” or “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalized terms used herein and not specifically defined shall bear the same meaning as ascribed to them in the RHP. This abridged prospectus is not for distribution outside of India.

THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID-CUM-APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Please ensure that you have read the RHP, this abridged prospectus (“Abridged Prospectus”) and the general information document for investing in public issues (“GID”) undertaken through the Book Building Process before applying in the Offer. The investors are advised to retain a copy of the RHP/Abridged Prospectus for their future reference. You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Members of the Syndicate, Registrar to the Offer, Registrar and Share Transfer Agents (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Bankers to the Offer, Investors’ Association or Self Certified Syndicate Banks (“SCSBs”). You may also download the RHP from the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in, at the websites of National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”, and together with NSE, the “Stock Exchanges”) at www.nseindia.com and www.bseindia.com, respectively, at the website of the Company at www.carraroindia.com and the website of the Book Running Lead Managers at www.axiscapital.co.in, www.bnpparibas.co.in and www.nuvama.com.



CARRARO INDIA LIMITED

Corporate Identity Number: U52609PN1997PLC132629; Date of Incorporation: April 11, 1997

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India	Nakul Shivaji Patil Company Secretary and Compliance Officer	Tel: +91 2138 662666 Email: 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 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 million	15.18

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

The Equity Shares are proposed to be listed on National Stock Exchange of India Limited and BSE Limited For the purposes of the Offer, NSE is the Designated Stock Exchange is the Designated Stock Exchange (the “Designated Stock Exchange”).

PRICE BAND, MINIMUM BID LOT AND INDICATIVE TIMELINES

Price Band	₹[●] per Equity Share to ₹[●] per Equity Share of face value of ₹10 each.
Minimum Bid Lot Size	[●] Equity Shares and in multiples [●] Equity Shares thereafter
Bid/Offer Opens on*	Friday, December 20, 2024
Bid/Offer Closes on**	Tuesday, December 24, 2024
Finalization 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

* Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

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

‡ UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

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 Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“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

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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.

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

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.

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.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Members of the Syndicate, Registrar to the Offer, Registrar and Share Transfer Agents (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Underwriters, Bankers to the Offer, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”).

If you wish to know about processes and procedures applicable to this Offer, you may refer for a copy of the RHP and/or the GID from the BRLMs or download it from the website of SEBI at www.sebi.gov.in, the websites of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively and the websites of the BRLMs at www.axiscapital.co.in, www.bnpparibas.co.in and www.nuvama.com

PRICE INFORMATION OF BRLMs

Sr. No.	Issue name	Name of BRLM	+/- % change in closing price, +/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180 th calendar days from listing
1.	Zinka Logistics Solutions Limited	Axis	-	-	-
2.	Niva Bupa Health Insurance Company Limited	Axis	-	-	-
3.	Waaree Energies Limited	Axis	+68.05%, [-0.59%]	-	-
4.	Northern Arc Capital Limited	Axis	-7.15%, [-5.80%]	-	-
5.	Bajaj Housing Finance Limited	Axis	+99.86%, [-1.29%]	-	-
6.	Bazaar Style Retail Limited	Axis	-1.32%, [+0.62%]	-16.11%, [-0.28%]	-
7.	Interarch Building Products Limited	Axis	+41.04%, [+3.72%]	+59.33%, [-4.41%]	-
8.	DOMS Industries Limited	BNP Paribas	+80.59%, [+0.97%]	+82.13%, [+3.18%]	+143.28%, [+9.20%]
9.	Fedbank Financial Services Limited	BNP Paribas	-2.75%, [7.94%]	-12.39%, [10.26%]	-13.43%, [13.90%]
10.	TVS Supply Chain Solutions	BNP Paribas	8.71%, [1.53%]	6.57%, [1.29%]	-7.46%, [13.35%]
11.	Suraksha Diagnostic Limited	Nuvama	NA	NA	NA
12.	NTPC Green Energy Limited	Nuvama	NA	NA	NA
13.	Acme Solar Holdings Limited	Nuvama	-6.02% [4.20%]	NA	NA
14.	Afcons Infrastructure Limited	Nuvama	6.56% [1.92%]	NA	NA
15.	PN Gadgil Jewellers Limited	Nuvama	61.14% [-1.76%]	53.04% [-2.56%]	NA
16.	Allied Blenders and Distillers Limited	Nuvama	9.68% [3.43%]	21.28% [8.52%]	NA
17.	Go Digit General Insurance Limited	Nuvama	22.83% [2.32%]	30.79% [7.54%]	16.25% [2.12%]

For further details, please refer to “Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs” on page 409 of the RHP.

BOOK RUNNING LEAD MANAGERS

Axis Capital Limited Tel: +91 22 4325 2183 E-mail: carraro.ipo@axiscap.in Investor Grievance E-mail: investor.grievance@axiscap.in	BNP Paribas Tel: +91 22 3370 4000 E-mail: DL.CarraroIndia.IPO@bnpparibas.com Investor Grievance E-mail Id: indiainvestors.care@asia.bnpparibas.com	Nuvama Wealth Management Limited Tel: + 91 22 4009 4400 E-mail: carraro.ipo@nuvama.com Investor Grievance E-mail Id: customerservice.mb@nuvama.com
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Name of Syndicate Members	Nuvama Wealth Management Limited (in Syndicate Member capacity)
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Name of Registrar to the Offer	Link Intime India Private Limited Tel: +91 81081 14949; Email: carraro.ipo@linkintime.co.in; Investor grievance e-mail: carraro.ipo@linkintime.co.in
Name of Statutory Auditor	Deloitte Haskins & Sells LLP
Name of Credit Rating Agency and the rating or grading obtained, if any	As this is an Offer of Equity Shares, there is no credit rating required for the Offer.
Name of Debenture Trustee	Not Applicable
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.
Details regarding website address(es)/ link(s) from which the investor can obtain a list of CRTAs, CDPs and stock brokers who can accept applications from investors, as applicable:	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/Rtdap.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time. 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/Rtdap.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm , respectively, as updated from time to time. For further details, see "Offer Procedure" on page 426 of the RHP.

PROMOTER OF OUR COMPANY

Sr. No.	Name	Individual/Corporate	Experience and Education Qualification / Corporate Information
1.	Tomaso Carraro	Individual	He 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.
2.	Enrico Carraro	Individual	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.
3.	Carraro S.p.A.	Corporate	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.
4.	Carraro International S.E.	Corporate	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 529900Q1H0EMFQK1046. 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.

For details in respect of our Promoter, please see the section entitled "Our Promoter and Promoter Group" beginning on page 271 of the RHP.

OUR BUSINESS OVERVIEW AND STRATEGY

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 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.

Geographies Served: India, Europe, Asia (excluding India), Americas and rest of the world.

Product/ Service Offering and Industries Served : 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.

Key Performance Indicators (“KPIs”) :

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:

(₹ in million, unless otherwise specified)

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

For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see “Our Business” on page 195 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 350.

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. For further details, see “Our Business - Description of our Business and Operations - Intellectual Property” on page 229 of the Red Herring Prospectus.

Market Share: We are 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. According to the Markets and Markets Report, as of 2023, our Company is the leading sole supplier in the non-captive segment of the agricultural tractors transmission market and the market leader with a 60-65% share of the non-captive construction vehicle transmission market.

Manufacturing Facilities: 2 manufacturing plants in Pune, Maharashtra.

Employee Strength: We and CTIPL had a total of 1,600, 1,664, 1,689 and 1,715 employees as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

BOARD OF DIRECTORS

S. No.	Name and designation	Experience and educational qualification	Other directorships
1.	Ettore Francesco Sequi Chairman and Independent Director	He 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.	<i>Indian companies</i> : Nil <i>Foreign companies</i> (i) Einstein Telescope EU (ii) Sace S.p.A. (iii) Sorgenia S.p.A.
2.	Tomaso Carraro Vice Chairman and Non-Executive Director	He 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.	<i>Indian companies</i> Carraro Technologies India Private Limited <i>Foreign companies</i> (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 Managing Director	He 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.	<i>Indian companies</i> Carraro Technologies India Private Limited <i>Foreign companies</i> Nil
4.	Davide Grossi Whole-time Director and Chief Financial Officer	He 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.	<i>Indian companies</i> Bhavani Synchrotech Private Limited <i>Foreign companies</i> Nil
5.	Sudhendra Mannikar Whole-time Director and Chief Operating Officer	He 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 24 years of experience in the field of finance. He was previously associated with Essar Projects Limited.	<i>Indian companies</i> Nil <i>Foreign companies</i> Nil
6.	Enrico Gomiero Non-Executive Director	He is a Non-Executive Director of our Company. He holds a diploma of accountant and commercial expert from the Technical Institute for Commercial 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.p.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.	<i>Indian companies</i> Carraro Technologies India Private Limited <i>Foreign companies</i> (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 Non-Executive Director	He 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.	<i>Indian companies</i> : Nil <i>Foreign companies</i> (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 Independent Director	She 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.	<i>Indian companies</i> (i) Aegis Vopak Terminals Limited (ii) Bloom Systems Private Limited (iii) Quantum Asset Management Company Private Limited (iv) SAT Industries Limited <i>Foreign companies</i> : Nil

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9.	Kishore Saleatore Independent Director	He 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.	<i>Indian companies</i> Kalyani Strategic Systems Limited <i>Foreign companies</i> Nil
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For further details in relation to our Board of Directors, see “Our Management” on page 253 of the RHP.

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 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.

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.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years: Not Applicable.

Terms of Issuance of Convertible Security, if any: Not Applicable.

Name of Monitoring Agency: Not Applicable.

Shareholding Pattern as on the date of the RHP:

Category of Shareholder	Pre-Offer number of shares	% Holding of Pre-Offer
Promoter and Promoter Groups	56,851,538	100.00
Public	-	-
Total	56,851,538	100.00

Number/Amount of equity shares proposed to be sold by Selling Shareholders: [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 12,500.00 million.

RESTATED SUMMARY FINANCIAL INFORMATION

(in ₹ million, except for share data and if otherwise stated)

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	73.80	63.87	65.07	59.37	51.47
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 / 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 further details, see “Restated Financial Information” beginning on page 279 of the RHP and “Summary of Restated Financial Information” beginning on page 77 of the RHP.

INTERNAL RISK FACTORS

Below mentioned risks are the top 5 risk factors as per the RHP. For further details, see 'Risk Factors' on page 25 of the RHP.

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.

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- 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.
- 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.
- 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.
- 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.

SUMMARY OF OUTSTANDING LITIGATION CLAIMS AND REGULATORY ACTION

- A. 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 387.

- B. Brief details of top 5 material outstanding litigation / legal proceedings initiated against our Company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current Status	Amount Involved
1.	Our Company received a notice dated June 13, 2024 ("Notice"), from the 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 NEEM Scheme, from the date of commencement of the NEEM Scheme until its closure, as employees; and (ii) remit the provident fund and allied dues under the EPF Act to the Trainees. Our Company has responded to the Notice, by way of its letter dated July 11, 2024, stating that 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 authorities prescribing that the trainees engaged through the NEEM Scheme fall within the definition of 'employees' under the EPF Act, the Union of India 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.	Notice issued by EPFO.	The matter is currently pending.	-
2.	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.	Notice received by the Superintendent, CGST, Division VII (Shirur).	The matter is currently pending.	₹ 622.27 million

3.	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, were at arm's length price. Pursuant to the SCN, the TPO issued an order dated August 30, 2017, 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, the Deputy Commissioner passed an assessment order dated January 19, 2018 ("Order"), in relation to the alleged variation of income due to additional/ disallowance. Our Company has filed an appeal dated February 16, 2018, before the CIT(A) challenging the Order on the grounds that, <i>inter alia</i> , the Deputy Commissioner erred in, <i>inter alia</i> , not accepting the arm's length price determined by our Company for the aforesaid international transactions. Further, the AEs have made applications 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.	Notice received from the TPO.	The matter is currently pending.	₹ 385.25 million
4.	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, were at arm's length price. Pursuant to the SCN, the TPO issued an order dated October 31, 2018, 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, the AO passed an assessment order dated February 27, 2019, ("Order"), in relation to the alleged variation of income due to addition/ disallowance. Our Company has filed an appeal dated March 28, 2019, before the CIT(A) challenging the Order on the grounds that, <i>inter alia</i> , the AO erred in not accepting the arms' length price determined by our Company. 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 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.	Notice received from the TPO.	The matter is currently pending.	₹313.14 million
5.	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, were at arm's length price. Pursuant to the SCN, the TPO issued an order dated November 1, 2019, 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, the AO passed an assessment order dated January 28, 2020 ("Order"), in relation to the alleged variation of income due to addition/ disallowance. Our Company filed an appeal dated February 26, 2020, before the CIT(A) challenging the Order on the grounds that, <i>inter alia</i> , the AO erred in not accepting the arms' length price of the international transactions. 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, 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.	Notice received from the TPO.	The matter is currently pending.	₹263.78 million

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 the Promoters: Nil

For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments" on page 387 of the RHP.

ANY OTHER IMPORTANT INFORMATION AS PER BRLMS/COMPANY - NIL

DECLARATION BY OUR COMPANY

We 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 the 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 the Red Herring Prospectus are true and correct.

DECLARATION BY THE PROMOTER SELLING SHAREHOLDERS

We, Carraro International S.E., the Promoter Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in the 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 the Red Herring Prospectus.